





## OVERSEAS NEWS

## U.S. inflation worsens as jobless figures improve

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, July 7.

THE CARTER Administration's hopes of early relief from inflationary pressures were disappointed today when it was announced that wholesale prices rose last month by 0.7 per cent, the same rate as in May.

This rather took the gloss off the simultaneous disclosure this morning that unemployment had fallen quite sharply in June, to 5.7 per cent of the labour force. This compares with the 6.1 per cent rate that had prevailed in the previous four months and is the lowest level in nearly four years.

However, unemployment is now perceived here as a much less significant problem than inflation. This was underlined yesterday afternoon when, in the course of presenting the Administration's mid-year budget review, Mr. Charles Schultz, chairman of the Council of Economic Advisers, lowered the projected end-of-the-year jobless rate to 5.8 per cent (higher than last month's level) but revised upwards the forecast increase in consumer prices for the full year to 7.2 per cent.

Mr. Schultz held out the hope

for improvement on prices over the balance of the year, predicting that in the next six months the cost of living would go up at an annual rate of only 5 per cent, half that of the year to date.

The June figures for wholesale prices did not presage an immediate turn for the better. The 0.7 per cent overall rise in the Producer Price Index for Finished Goods was underpinned by a 1.1 per cent advance in the food sector. This was actually more than double the 0.5 per cent food increase in May, and while it implies something under double digit inflation, it is clearly too high for comfort.

There was some abatement in the non-food sector, which went up by 0.6 per cent, compared with 0.8 and 1.0 per cent respectively in the two previous months.

Moreover, the parallel index covering goods at an intermediate stage of processing (that is, further away from reaching the consumer) showed a sharp 2.7 per cent increase in June, compared with 2.5 per cent in May.

Mr. Schultz held out the hope

for improvement on prices over the balance of the year, predicting that in the next six months the cost of living would go up at an annual rate of only 5 per cent, half that of the year to date.

The June figures for wholesale prices did not presage an immediate turn for the better. The 0.7 per cent overall rise in the Producer Price Index for Finished Goods was underpinned by a 1.1 per cent advance in the food sector. This was actually more than double the 0.5 per cent food increase in May, and while it implies something under double digit inflation, it is clearly too high for comfort.

There was some abatement in the non-food sector, which went up by 0.6 per cent, compared with 0.8 and 1.0 per cent respectively in the two previous months.

Moreover, the parallel index covering goods at an intermediate stage of processing (that is, further away from reaching the consumer) showed a sharp 2.7 per cent increase in June, compared with 2.5 per cent in May.

Mr. Schultz held out the hope

## Cyprus row starts over policy for federation

A row has broken out between President Spyros Kyprianou and Mr. Tassos Papadopoulos, the chief Greek Cypriot negotiator in the deadlocked intercommunal talks.

us to who follows more correctly the policy on Cyprus as formulated by the late President Makarios.

In a recent speech, Mr. Papadopoulos, who has not been on very good terms with Mr. Kyprianou, clearly hinted that the President was deviating from the Makarios line. A Government spokesman said yesterday that the "Makarios proposals" for a bi-zonal federalism had not been withdrawn but would not say whether Mr. Kyprianou stuck by them as the Greek Cypriots' negotiating position.

## Italy presidential poll

Italian politicians have failed for the 13th time to elect a new President and efforts got under way to win extra support for the Socialist candidate, Sig. Antonio Giolitti, now a member of the EEC's executive committee. Reuter reports from Rome. The Chamber of Deputies and regional governments have been trying to choose a replacement for Sig. Giovanni Leone, who resigned office last week after being accused of tax evasion. In initial voting yesterday for the various candidates, 424 electors abstained and 88 cast blank ballots.

## French Socialists meet

The French Socialist Party will this weekend hold crucial policy meetings which may bring moves to oust the veteran party leader, M. Francois Mitterrand after the last March, Reuter reports from Paris.

## Croissant extradition

France's leading constitutional body ruled yesterday that the Government acted legally in extraditing a suspected criminal, a controversial extradition of a French lawyer, Klaus Croissant, to West Germany. Reuter reports from Paris. The Council of State, which has the final say on the extradition of French citizens, was strongly criticised, especially by the French Magistrates' Union, president, Andre Braunschweig, who declared the case had been marked by a lack of respect for judicial authority.

## Contracts queried

Senator William Proxmire said he wanted Senate hearings on the Navy's proposed settlement of ship building contracts with General Dynamics and Litton Industries, after both companies had been accused of cheating on the contracts. Reuter reports from Washington.

## Fukuda for Paris

Mr. Takeo Fukuda, the Japanese Prime Minister, will meet the French Premier, M. Raymond Barre in Paris on July 15 before attending the Bonn summit conference on July 16-17, according to the Foreign Ministry. Reuter reports from Tokyo. The Prime Minister will be joined in Europe by the External Economic Affairs Minister, Mr. Nobuhiko Yoshida, who is attending multilateral trade talks in Geneva before the summit.

## Philippines economy

The Philippine Central Bank has reported an improvement in the nation's economic performance during the first half of the year, says an AP-DFI dispatch from Manila. The improvement was due to better world demand outlook and the adoption of domestic policy measures intended to accelerate the momentum of growth. Reuter reports from Manila.

## Belgian strike off

Employees at the Belgian National Bank and at five other public credit institutions decided to suspend a week-long strike and resume work yesterday, Reuter reports from Brussels.

## Japan trade body

Mr. Toshio Komoto, Japanese International Trade and Industry Minister, said the Cabinet has established a body at vice-ministerial level to implement a decision to accelerate surplus-trimming measures. Reuter reports from Tokyo. Mr. Komoto told a news conference that the body, reporting to the Cabinet, will meet twice a month or more to review the progress of measures taken last April and on June 23.

## Australian deficit

Australia's Budget deficit widened to A\$3.33bn in the financial year ended June 30 from A\$2.74bn in the previous fiscal year, Reuter reports from Canberra. Mr. John Howard, the Federal Treasurer, said the deficit was A\$1.22bn higher than the August 1977 Budget estimate.

## Canada bans development in Yukon pending study

MR. HUGH FAULKNER, the Canadian Northern Affairs Minister, announced today that future resource development in the northern third of the Yukon will be prohibited while the Government decides how to keep the area as a wilderness. He said the Government had decided to freeze all further development in the 38,700 sq km region, stopping new oil and gas exploration and mineral claims. Existing mineral claims and oil and gas activity, described by Faulkner as "modest," would not be affected.

## Lorry blockade

A blockade mounted by lorry drivers protesting against Austrian road taxes appeared to be collapsing yesterday as hundreds of lorries moved across borders that for the days. Reuter reports from Vienna. But while drivers abandoned their protest action at some key border crossings, others maintained the blockade.

## Princely fortunes in Australia

BY DON LIPSCOMBE, PERTH CORRESPONDENT

PRINCE LEONARD isn't one of the beautiful people like Prince Rainier. Neither does he laugh all the way to the bank as Liberace does in enjoying the joke against himself. But there's an element of both men in the former Western Australian former.

Many would dispute that word former. After all, he still works the 18,500-acre property 320 dusty miles north of Perth, running 7,000 sheep and 200 cattle, still worried by three droughts in three years, still dressed in outback casuals.

But Prince Len and Princess Shiril, his wife and mother of their three sons (Postmaster General Ian, Foreign Minister Wayne, and Treasurer Richard) have made a fairytale metamorphosis, from farming grubs to royal butterflies, by the simple expedient of unilateral declaration. That was on April 21, 1970, not long after Australian wheatgrowers made their own unilateral declaration to impose quotas on wheat exports, a cruel blow to Len, Shiril and family on the fringe of Australia's productive wheat-growing country.

Few believed the joke would last long. The secession of Hutt River from the State boundaries coinciding with the Casey farm (hence) was considered a fleetingly newsworthy bit of nonsense that everyone would forget within a few weeks. But they failed to make allowance for the

ingenuity of Prince Leonard working from the royal seat of Nain.

Red-necked farm boys with crows' nests of hair were dubbed knights. So far there are about 20. Like sad reflections of faded European royalty, Prince Leonard and family posed for photographs. None of them, however, ever allowed the character to slip. Gradually the tourists started to come. At the end of the second year, they were averaging 250 a week. During the past financial year (a good way of measuring Hutt River time) there were more than 60,000 who spent an average of A\$10 (about £5.50) a head on each visit.

Two Western Australian artists, commissioned to paint portraits and undertake designs, were made Earls of Nain and Phoenix. Hutt River stamps joined the tea towels, heraldic teaspoons, maps, pencils, mugs, pens and car stickers that tourists took home to prove they had looked Prince Leonard straight into his one good eye and had shaken his tanned farmer's hand.

Three years ago when the Prince planned to open a ship register to create Liberian-type loopholes, Western Australia's Premier, Sir Charles Court, called for an end to "this soap box opera." Mr. Malcolm Fraser, Australia's Prime Minister, wrote humbly to Prince Leonard that



The Prince

"the Commonwealth Government does not recognise the Hutt River Province. Any such assertion to the contrary are false." That upset the Prince because it arrived just as he was penning a New Year message. It was the Prince's message, not the Prime Minister's, that made news in dog-hites-man tradition.

Subsequently, he announced the Government was to open a land of the antipodes with numbered bank accounts, and to challenge Monaco and Alcazar by opening a casino. Politicians these days are less willing to throw fuel on Hutt River's fire of publicity. The Prince's headlines this year have come from one night as guest of Her Majesty, when he was caught for having failed to pay a 28% taxation fine, and—on the province's eighth anniversary—his royal army review with the help of school cadets from the Patrick's College in nearby Geraldton.

Mr. Casley has proved himself an astute businessman by buying Perth apartments just before property boom. He has liquidated these foreign assets to plug them back into his principality—a decision unlikely to strip him of his reputation as the Prince with the Midas touch.

## Car industry has record June

BY STEWART FLEMING

NEW YORK, July 7.

SALES OF U.S. manufactured cars last month hit record levels for June and sales in the first six months of the year reached their highest levels since the 1974 oil crisis.

Analysts are predicting that in spite of some slowdown in the second half of the year the industry's sales volume will increase this year for the fourth consecutive year.

However, sales of imported cars, which have been hit by price increases as a result of the dollar's weakness, continued to make up a declining share of the U.S. market. Sales of imported cars last month totalled 187,000, down 4.5 per cent on the same month last year.

The imports share of the U.S. market slipped to 16.5 per cent in June, compared with 17.6 per cent a year ago. In January imports held a 20.8 per cent share of the U.S. market, but since then each month has shown a steady erosion.

Earlier predictions that June might be the best month for U.S. domestic car sales were not fulfilled, however. Although sales of domestically built cars rose 3.3 per cent to 949,549 units compared with a year ago, the figure is well below the 971,034 units sold in May 1977.

Combined sales of U.S. built cars and imports in June rose 1.8 per cent to 1,136,590—suggesting that even with some slowdown in the second half, total volume in 1978 will be above the 11.17m units sold in 1977. Ford Motor is predicting sales this year of 11.2m units and General Motors 11.5m.

The continued strength of car sales has been one of the surprising features of the U.S. economy in the second quarter of this year. There has been some concern that it reflects an

inflationary psychology, with consumers going out and buying in advance of further price increases. The strong second quarter sales are attributed in part to a recovery from the weak first quarter.

Nevertheless, an analysis by Schroder Naess and Thomas suggests that consumers are now spending an extraordinary 6.8 per cent of disposable income on cars. They have been borrowing a high proportion of the cost and stretching out debt repayments to three years in order to maintain purchases.

The car industry itself is not forecasting a collapse of sales in the second half and disagrees with economists who do. However, production schedules for the third quarter, as the industry moves into a new model year, indicate that the industry does not want to see a build-up of stocks.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

There have been allegations in parliament that some food companies have been taking undue advantage of recent increases in beef prices. Farm spokesmen claim the increased income they are getting for beef is not as high as the rises in supermarket prices.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

There have been allegations in parliament that some food companies have been taking undue advantage of recent increases in beef prices. Farm spokesmen claim the increased income they are getting for beef is not as high as the rises in supermarket prices.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

There have been allegations in parliament that some food companies have been taking undue advantage of recent increases in beef prices. Farm spokesmen claim the increased income they are getting for beef is not as high as the rises in supermarket prices.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

beef prices and will also study fresh vegetables and fruit as well as meat. The Government wants a report within three months. Information supplied by companies will be kept confidential by the board.

## W. German politician faces fight

BY ADRIAN DICKS

HERR HANS FILBINGER, the Christian Democrat (CDU) State Premier of Baden-Wuerttemberg, is facing an uphill fight for his personal reputation and for his political survival against charges associated with his wartime career.

In spite of a declaration of support today from the CDU's national leader in Bonn, Herr Helmut Kohl, there were increasing signs of unease at Herr Filbinger remaining in office within his own party, as well as open calls from the Social Democratic opposition in the state for him to step down.

Insisting repeatedly that he has no intention of resigning, Herr Filbinger announced today that he is returning from holiday in Switzerland to discuss more with the Baden-Wuerttemberg CDU in Stuttgart tomorrow the death sentences he handed out to at least five deserters while serving as a naval staff judge in Norway in 1945-45. In one case the sailor concerned was executed, while the other sentences have been described as "phantoms" by Herr Filbinger, as the deserters were known to be in neutral Swedish territory.

Broad details of the Baden-Wuerttemberg leader's wartime career have been on the public record for some years, but have been highlighted by the political playwright, Herr Rolf Hochhuth, and by several investigative magazine reports. Herr Filbinger has not denied the facts,

## Dutch payments in deficit

BY CHARLES BATCHELOR

HOLLAND'S balance of payments position worsened in the first quarter of 1978. The current account on a transactions basis showed a deficit of F1,022bn (\$457m) from a surplus of F1,640m in the preceding quarter and a surplus of F1,400m in the first quarter of 1977, according to seasonally-adjusted figures from the Finance Ministry.

The visible trade account moved even further into deficit with invisibles showed a deficit for the first time since the autumn of 1973. The deficit on

## Japanese loan for Vietnam signed

TOKYO, July 7.

JAPAN TODAY agreed to grant Vietnam a low interest loan totalling ¥10bn (\$49.2m), the Foreign Ministry announced.

An agreement was signed in Tokyo by Vietnam's Vice Foreign Minister Phan Hien and his Japanese counterpart Katsuko Arita Reuter reports.

The total amount will be repayable over 30 years including a 10-year grace period, at an annual interest rate of 2.75 per cent.

The loan will use the loans to buy a wide range of goods including chemicals, textiles, machinery and cement, the Foreign Ministry said.

## French unions agree Civil Service wages

PARIS, July 7.

THE FIRST important wage agreement of 1978, affecting some 4m Civil Service employees, has been approved by the majority of the trade unions concerned.

Through the two big Left-wing unions, the Communist-led CGT, and the Socialist-orientated CFDT, have withheld their approval, they will doubtless accept the agreement in practice, as they have done in previous years when they have refused to sign wage contracts with the Government.

The speedy conclusion of Civil Service wage negotiations should help to improve the industrial relations climate, which has been bedevilled by strikes in the public sector, in the military arsenal and at the state-owned Renault motor plants.

In the private sector, some 18 agreements involving about 1.7m workers have been concluded over the past few weeks.

## Malaysia poll test today

KUALA LUMPUR, July 7.

MALAYSIA'S Prime Minister, the Prime Minister, who still has to go before his own United Malays' National Organisation, the dominant partner in the Coalition will be returned with a comfortable majority, but the test is whether his Government will be returned with a two-thirds majority in the Federal Parliament.

Failure to win a two-thirds majority, necessary to amend the Federal constitution, would be a severe setback to the party in the west.

Mr. Hussein Oni, will seek a mandate at the polls tomorrow, confident that his National Front, the dominant partner in the Coalition will be returned with a comfortable majority, but the test is whether his Government will be returned with a two-thirds majority in the Federal Parliament.

Failure to win a two-thirds majority, necessary to amend the Federal constitution, would be a severe setback to the party in the west.

## California reduces state expenditure

SACRAMENTO, California, July 7.

CALIFORNIA'S tax revolt struck last night when Governor Jerry Brown vetoed pay rises for state employees and approved cuts in abortion funds before signing what he called an austere and lean state budget.

After working through the night to find ways of saving money, Mr. Brown today signed a budget totalling \$14.7bn—larger than many national budgets but representing the first time in 17 years that state expenditure has been reduced.

The cuts, which also blocked welfare grant increases, came exactly a month after California, the most populous U.S. state, voted to cut spending property taxes by 57m and started a tax revolt which is expected to sweep across much of the country in this Congressional and state election year. The budget cuts are a big political gamble for Mr. Brown, who is likely to challenge President Carter for the Presidency in 1980 if he can retain the Governorship of California in elections this November.

The state senate sent Mr. Brown a drastically trimmed budget totaling \$15.7bn late last night. Mr. Brown cut the budget still further, partly by vetoing a proposal for a 2.5 per cent cost of living increase for the thousands of state employees.

## A NEW UNIT TRUST FROM CRESCENT CRESCENT TOKYO FUND

## EVERY PORTFOLIO SHOULD HAVE A STAKE IN JAPAN

1. Over the last fifteen years Japan has had the fastest rate of growth of the major industrialised countries. This trend is expected to continue.

2. Of the major industrialised countries, Japan invests the highest proportion of its Gross National Product in plant and equipment.

3. Japan is politically stable, with industry and government co-operating to an extent unknown in the West.

4. The Japanese people are highly educated, hard working and financially conservative.

5. Inflation and interest rates are low and the currency is strong.

6. In terms of market capitalisation, Tokyo is the second largest stock market in the world.

Units to the value of over £2m have been sold since June 12th 1978

## ADDITIONAL INFORMATION

Applications and cheques will be acknowledged and certificates will be sent to you within 28 days of the close of the offer.

Units may be bought and sold on any normal working day. Payment for units sold will be made within 10 working days or receipt of your renounced certificate.

Unit prices and yield will be published daily.

In most leading newspapers, Commission of 1.4% will be paid to recognised agents.

An initial charge of 5% is included in the offer price. A half-yearly charge of 2% of 1% (plus V.A.T.) for Managers' and Trustees' expenses is deducted from the trust's assets.

An annual distribution of net income will be made on 15th October. The first distribution will be on 15th October 1979.

The trust is a "wider range" investment authorised by the Secretary of State for Trade.

Trustee: The Royal Bank of Scotland Limited. Managers: Crescent Unit Trust Managers Limited (A member of the Unit Trust Association).

I declare that I am/we are not resident outside the U.K. or other Scheduled Territories nor acquiring the units as the nominee(s) of any person(s) resident outside these territories.

Signature(s): (if there are joint applicants each must sign and attach names and addresses separately)

Date:

This offer is not available to Republic of Ireland residents. If you would like distributions of income to be reinvested please tick here.

CRESCENT TOKYO FUND

**Trust Schroder Wagg**

Henry Schroder Wagg & Co. Limited, is one of Britain's largest and most respected Merchant Banks. Our experience and skills in world stock markets are such that many leading companies and institutions entrust us with the investment of substantial sums of money on their behalf.

Private investors can also benefit from our expertise by investing in our Unit Trusts. There are four funds:

- SCHRODER CAPITAL FUND.** Investment objective—capital growth.
- SCHRODER INCOME FUND.** Investment objective—income growth.
- SCHRODER EUROPE FUND.** Investment objective—to participate in the steady growth of well-managed European economies.
- SCHRODER GENERAL FUND.** Investment objective—a balanced fund seeking income and capital growth.

To find out more about having Schroder Wagg manage your investments, please write to Mr. M. Smith, Schroder Wagg Unit Trusts, 48 St. Martin's Lane, London WC2N 4AF or telephone 01-340 3434.

**Schroder Wagg**

UNIT TRUSTS

Member of The Unit Trust Association. Not applicable to Eire.



# Tories go for compromise on tax avoidance

The report stage on the Finance Bill is to be debated in the Commons on Tuesday, Wednesday and Thursday.

The Aran/BP group comprises British Petroleum 60 per cent, Aran Energy 25 per cent, seaptor resources 7.5 per cent and Saga Ireland 7.5 per cent.

**The Cartaci that fetched a record £260,000.**

The skin was found in the 1950s and was thought to belong to the legendary Yeti. Scientists discount the existence of such a creature and prefer to believe the skin belonged to a blue bear. It was the top price in the sale of the world's first natural history auction, which totalled £21,946.

One major unresolved question is whether the NEB is prepared to invest in two separate semiconductor operations at the same time.

## Area la

The "Convention on Standards Training, Certification and Watchkeeping for Seafarers" lays down mandatory minimum requirements for ship's officers and includes special provisions for the training of tanker crews. Another section of the convention deals with procedures for controlling and enforcing the regulations.

The second conference, the main area of debate has been over the range of regulations and

## Brockhouse closure

THE COMPANY which the Brockhouse group has said intends to close is Brockhouse & Co. bank, not Brockhouse Engineering, as reported on June 26.

He denied that his talks in Oslo could be construed as an act of provocation towards Britain's EEC partners, and rejected a suggestion by Mr. John Peyton, the Shadow Minister, that they might have the effect of pulling back a settlement on a revised version

Spending by the NCB is now running at well over £200m a year as the projects sanctioned under the 10-year Plan for

The Nigerian notice of term- he negotiated in due course.

The new French Sudam X300 craft is the only one of three British Rail-French Rail hovercraft now operating from Dover.

Trelford, the editor, can achieve these objectives is a question which only time can answer.







# THE WEEK IN THE MARKETS

## No demand for equities

LITTLE SEEMED to go right for the equity market this week after an opening day when bargains marked dropped to the lowest level for 1978. Thereafter there was nothing much to stimulate investment demand especially after the miners had put in a claim for a 40 per cent wage increase. The decision by GEC not to seek a substantial dividend increase came as a further blow on Thursday and the account closed on a very quiet note.

### LONDON ONLOOKER

#### Swan on song

For Swan Hunter shareholders, the agreement is one step further towards the voluntary liquidation of the existing group, which will be followed by distribution of its surplus cash, along with shares in its continuing business. This should happen in the autumn. At present, the group could have net cash of as much as £30p per share, plus net assets of 30p per share or more in its continuing operations. But its shiprepairing side is going to swallow up some of that money, and there is at present no way of calculating how the stock market will value the shares in the new mini-Swan Hunter group. The present market price of 140p looks a reasonable compromise for the time being.

Swan Hunter must be tickled pink with this week's agreement on compensation for the nationalisation of its shipbuilding business. A price of £18m, which is as near to book value as makes no difference—looks like generous considering what has happened to the industry in the last year or two. But some of the

companies which have yet to agree compensation terms are not going to be so happy. The payments are based, arbitrarily, on the market capitalisation of the parent company in the six months up to February, 1974. That's fine for Swan Hunter, which happened to be capitalised at about £161m during the relevant period. But it is not so much fun for a group like BAC, where profits have taken off since 1974.

#### Cartiers' issue

This week saw the announcement of another new issue from the Robert Fleming stable, Cartiers Superfoods. It will probably not be another Eurotherm, which was nearly a hundred times oversubscribed, but it looks to have all the successful ingredients even though the High Street price war is hitting the profits of the like of Tesco and Sainsbury.

Lew Cartier, the founder, left school early and qualified as a butcher in 1964 at the age of 18. After working in the butcher trade in Devon for four years he returned to his native Kent, borrowed £500 to buy a van, and set up a flourishing door-to-door butchery round. In the autumn of 1969 he bought his first shop in Margate and has never looked back.

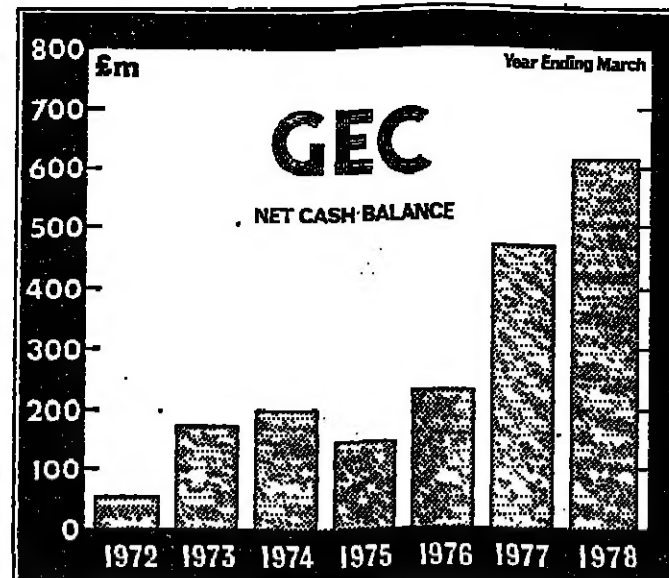
Today, aged 32, he has 11 shops with another five opening

before the end of 1979 and has seen his profits rise from £47,000 to £328,000 over the last five years. In the current year he is forecasting profits of £11m and hopes over the longer term to open at least three new shops (totaling 100,000 square feet) per annum. In addition, it is intended that dividends will move in line with profits during 1979-80 so shareholders should be able to benefit from the early growth period.

At the issue price of 55p the shares yield 6 1/2 per cent which is comfortably above the yields on other supermarket shares but the prospective multiple of 11 is rather high, especially since the issue is coming to the market at a premium of 80 per cent over net asset value. Nevertheless, the issue should go well and Lew Cartier, himself, intends to hold on to his 52 per cent stake for the foreseeable future which is a good sign.

#### GEC dividend

General Electric's new dividend policy has bitterly disappointed the market, especially after the company's repeated criticism of government limitations on shareholders' income. The net cash balances had after all jumped from £407m to £617m in a year when profits were 17 per cent higher at £325.3m. Whatever happens to official dividend restraint after July 31, the directors said they intended to keep in line with the phase three increase of 10 per cent, plus a so-called self-financing bonus representing interest on funds which would have been paid had restraint not existed. While shareholders might have expected past anomalies to be corrected as soon as possible,



the decision to choose moderation is probably not too surprising considering the current political climate. GEC is a big enough fish for other companies to follow and a substantial dividend increase would upset government plans at a time when it is trying to persuade the unions to moderate their wage demands. An intriguing question is whether GEC chose this policy of its own accord, or whether there has been subtle pressure from elsewhere. In the meantime shareholders have to content themselves with a prospective yield of a mere 2.6 per cent.

#### Life figures

No one would readily picture Barbara Castle, that fiery left winger, in the role of chief sales representative for the UK life assurance industry. Yet the Social Security Pensions Act, 1975, which became law under her tenure of office as Secretary of State for Social Services, has provided a bonanza for the industry this year according to the half-year's new business figures from Prudential, Legal and General and Standard Life—the big three in pensions.

The Pru reports a jump of 70 per cent in new annual premiums on its UK pensions business, L and G a rise of 55

per cent and Standard a 40 per cent increase. The Act, which came into force on April 6, not only made employers improve the existing benefit levels, but it stimulated manual employees' interest in pensions. Rising house prices since the turn of the year have given the individual life business a shot in the arm. L and G has seen a 45 per cent jump in premiums on mortgage repayments business, and Standard a 56 per cent rise. Life companies need new business to rise at least in line with inflation to avoid pressure on expenses. After last year's rise of only 6 per cent, this year's figures look like providing ample compensation. The Pru, although weak in this market, also saw a 44 per cent rise in individual business having changed the remuneration basis of its field staff putting the emphasis on premium.

**THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 8**

% Change	Sector
+5.8	Newspapers, Publishing
+5.2	Investment Trusts
+4.6	Food Retailing
+4.4	Discount Houses
+4.1	Stores
+3.2	Toys and Games

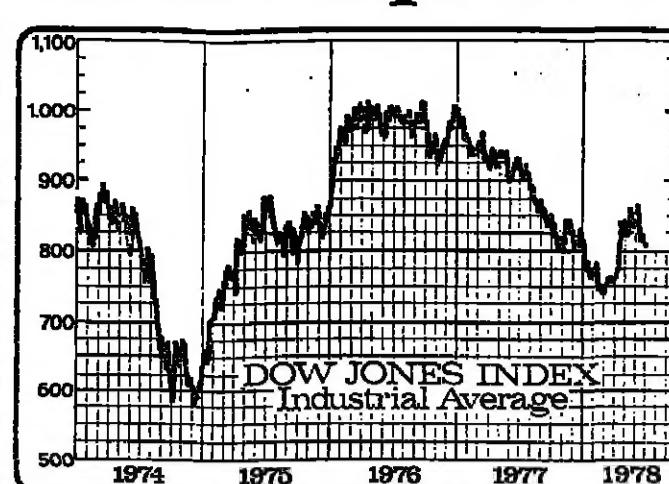
**THE WORST PERFORMERS**

% Change	Sector
-3.1	All-Share Index
-4.0	Entertainment, Catering
-4.0	Textiles
-6.1	Breweries
-6.4	Tobaccos
-7.9	Shipping

## Trading volume slips back

"SELL IN May and go away" is an old adage of the London Stock Exchange which investors on Wall Street might have been well advised to heed this year. Those investors who rolled with market from its February low on the Dow Jones index of 742.12 to its June 6 high of 866.51 have spent the past four weeks coasting back to the pits. As the July 4 Independence Day weekend unfolded the question on investors' minds was could the market hold up above the 800 level at which point it would only have surrendered half of its spring advance.

So far the averages have shown enough resilience to prevent widespread despondency gaining a firm grip. Nevertheless the volume of trading after the record levels achieved in the spring quarter has slumped



### NEW YORK

JOHN WYLES

to a degree which scarcely suggests that investors are about to shake off their gloom and send share prices soaring again.

Through April and May daily trading on the New York Stock Exchange averaged around 35m shares and in aggregate in the second quarter a total of 3.43bn shares changed hands. Since the middle of June daily volume has on average been no more than 25m shares. On Monday trading sank to only 11.56m shares—the longer the July 4 weekend the better dealers are saying that while the market has retreated in June the spring rally was at least a psychological turning point. To the extent that it reminded investors that share prices can go up as well as down and just as quickly that is surely true. Moreover so far there are no

signs of institutions starting to dump big blocks of stock on the market again.

Indeed big institutional fund managers can draw some comfort from the overall share price trends in the spring. Thus while the Dow Jones average in the second quarter rose 8.13 per cent and the Standard and Poors 500 index 7.06 per cent some of the shares of leading companies in which institutions have heavy holdings performed much better.

International Business Machines for example rose 9.2 per cent, Eastman Kodak one of the worst performing of the former glamour stocks rose 26.3 per cent. Schlumberger was up 24.7 per cent and Procter and Gamble up 16.7 per cent. In percentage terms these rises paled in comparison with the performance of the main gambling stock such as Resorts International and Playboy, some of which doubled. But in terms of increased value of market capitalisation, rises in shares like IBM are far from significant. IBM's rise for example increased its market capitalisation to \$3.2bn. Resorts capitalisation rose \$125m.

But if the performance of the major stocks will help to support the market it is already clear that perhaps the most investors can hope for in coming weeks is a modest rally. The dollar is once again

under some pressure on the foreign exchange markets, there is the uncertainty of this month's economic summit in the wings and interest rates are showing no signs of peaking. Moreover the administration has conceded that inflation this year will be about 1 percentage point worse than it had previously forecast at 7.2 per cent.

Monday	812.59	-6.06
Tuesday	Ind. Day Hol.	
Wednesday	803.78	-7.10
Thursday	807.17	+1.38
Friday	812.46	+5.29

### U.K. INDICES

Average week to	July 7	June 30	June 23
-----------------	--------	---------	---------

FINANCIAL TIMES			
Govt. Secs.	69.39	69.18	69.47
Fixed Interest	71.27	71.23	71.97
Indust. Ord.	454.2	456.5	459.0
Gold Mines	159.3	159.5	162.3
Dealings mtd.	4,346	4,309	4,728

FT ACTUARIES			
Capital Gds.	208.49	207.93	210.81
Consumer (Durable)	191.47	191.33	195.53
Cons. (Non-Durable)	195.53	195.22	197.41
Ind. Group	203.98	203.93	206.48
500-Share	226.68	226.76	229.05
Financial Gp.	155.26	156.64	159.95
All-Share	208.62	208.70	211.40
Red. Debs.	56.71	57.29	57.36

### MARKET HIGHLIGHTS OF THE WEEK

	Y'day Price	Week Change on	High 1978	Low 1978	
Ind. Ord. Index	455.4	-5.2	497.3	433.4	Persisting uncertainties
Bassett (Geo.)	119	-15	157	119	Disappointing preliminary results
British Dredging	41	+5	41	21	Ahead of Monday's figures
Bulmer (H.P.)	120	-10	157	114	Ahead of Wednesday's results
Carpenter International	54	+8	54	39	Recovery hopes
De Beers Ltd.	376	-20	412	285	Profit-taking after recent rise
Econa	91	+19	94	53	Agreed bid from Newman-Tonks
Eucalyptus Pulp	57	-8	70	55	Disappointing annual results
Guthrie	242	+44	362	211	Persisting merger speculation
Henderson-Kenton	90	+8	90	63	Good preliminary results
HK Land	184	+94	193	87	Domestic market trend
Oil Exploration	210	-20	306	178	Withdrawal of spec. support
Shaw Carports	38	+7	38	20	Pleasant annual figures
Southern Pacific Petroleum	225	+30	300	50	Govt. drops resources tax plans
Stewart Plastics	152	+12	153	108	Speculative demand
Swan Hunter	140	+13	157	125	Nat. compensation terms
Thermal Syndicate	95	-19	137	95	Interim profits setback
Vesper	170	+10	181	135	On Swan Hunter nat. terms
Websters Publications	52	+8	52	23	Bid hopes persist despite denial
Western Bros.	116	+19	116	56	Increased offer from Glossop

## On the bright side

THROW OFF your hairshirt—glamour is back. This is the message that the stock markets of the world have been sending out since spring. The world index, as calculated by Capital International Perspective, has at last perked up after two years of unwaveringly sideways movement. And the new upward trend is characterised by the glamour stocks and stock markets which have been under a cloud for so long.

The top performing market is Hong Kong, re-establishing its position as a "warrant on the world." Singapore and Japan are other top performers. So through the kind of economic last year's pre-occupation with anguish which we know all too well has gone by the board, well in the UK. The stock

These three high-growth areas markets of these countries are among the lowest yielders still back in the recovery phase at 3.9, 2.7 and 2.2 per cent respectively.

The top performing sector worldwide is that erstwhile growth industry, airlines, with a rise of 26 per cent. Trailing in its wake are other darlings of the late 60s and early 70s, 17 per cent this year to come fourth in our league table. And that master wizard of bull markets, Mr. Alan Whitmore of the IMF, has been over there to work his magic spell. Since Italy is still 72 per cent off its all-time high, one could be forgiven for thinking that this still has a lot of upside potential.

Completely different kinds of markets are those which are dominated by politics. The 24 per cent rise by France this year is obviously a reflection of the victory by the centre-right

growth prospects. The cult of the equity has by no means returned with all its earlier strength, but the stories of its death are now seen to have been greatly exaggerated. This story does not hold good throughout the world. Some of the weaker economies have taken longer to get over the

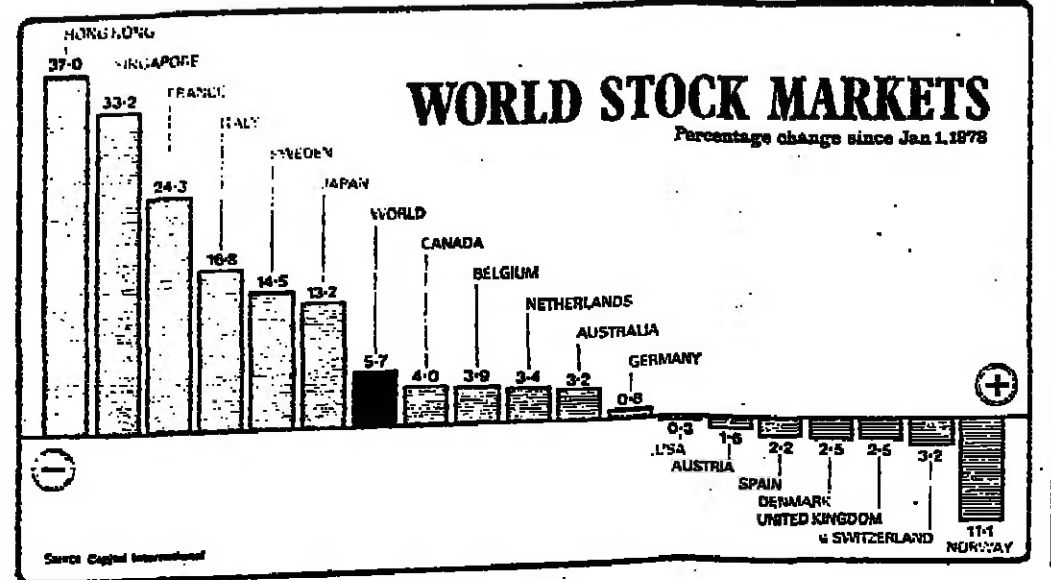
### WORLD WIDE JAMES BARTHOLOMEW

oil trauma and are still going through the kind of economic last year's pre-occupation with anguish which we know all too well has gone by the board, well in the UK. The stock

These three high-growth areas markets of these countries are among the lowest yielders still back in the recovery phase at 3.9, 2.7 and 2.2 per cent respectively.

The top performing sector worldwide is that erstwhile growth industry, airlines, with a rise of 26 per cent. Trailing in its wake are other darlings of the late 60s and early 70s, 17 per cent this year to come fourth in our league table. And that master wizard of bull markets, Mr. Alan Whitmore of the IMF, has been over there to work his magic spell. Since Italy is still 72 per cent off its all-time high, one could be forgiven for thinking that this still has a lot of upside potential.

Completely different kinds of markets are those which are dominated by politics. The 24 per cent rise by France this year is obviously a reflection of the victory by the centre-right



# From Save & Prosper A HIGH INCOME WITH SOUND GROWTH PROSPECTS

Save & Prosper High Return Unit Trust aims to provide investors with a high immediate income. At 5th July 1978 the estimated gross starting yield was 8.66% p.a. The fund also offers good prospects of income and capital growth in the long term.

With the improvement in economic activity in 1978, corporate profitability is likely to improve and this could well be reflected in further dividend increases. The fund is currently invested in U.K. equities with a significant proportion in soundly-run smaller sized companies.

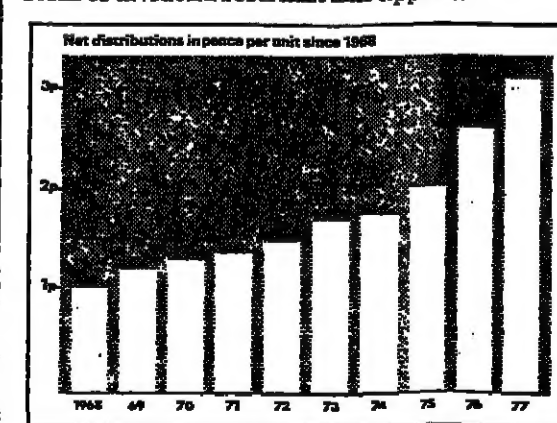
the fund has increased by 178%, compared with a 100% increase in the F.T. Actuaries All-Share Index over the same period. Remember the price of units and the income from them may go down as well as up. An investment in the fund should be regarded as a long-term one.

Save & Prosper High Return Unit Trust now offers

**8.66% P.A.**  
Current gross yield

### Past performance

High Return Unit Trust was launched in 1964 and has increased its distributions year by year, last year's distribution being more than three times the amount paid in the fund's first complete year. This record is all the more impressive as much of the time some form of dividend restraint has applied.



Furthermore, from the launch of the fund to 5th July 1978 the offer price of units in

### Investment prospects

Income prospects will be determined in part by whether or not dividend restraint continues after the end of July. If it does not, the fund will benefit from a number of companies being able to increase significantly their dividends. Even if restraint does continue, we are confident that High Return's excellent income record will be maintained.

In recent weeks share prices have shown some stability and although this could be unsettled if a General Election occurs in October, we believe that over the longer term the increased level of economic activity will provide a favourable background for equity investment.

### Britain's largest unit trust group

Save & Prosper Group was founded in 1934 and in addition to being Britain's largest unit trust group is a major force in the life assurance, pensions and annuities field. At 1st January 1978 the Group managed £275 million for 700,000 investors.

### GENERAL INFORMATION

Trust aims. The aim is to provide a portfolio designed to achieve a high income from stocks and shares.

Units are easy to buy. Units may normally be bought and sold on any working day. However, in exceptional circumstances the Managers reserve the right to suspend price quotations pending their revaluation. Current prices are quoted in the leading newspapers.

And to sell. The Managers will normally buy back units, from registered holders, free of commission, at not less than the bid price calculated on the day year instructions are received, in accordance with a formula approved by the Department of Trade. They may also be sold back through an authorised agent who is entitled to charge commission. Payment is normally made within seven days of our receiving renounced certificate(s).

Safeguards. The trust is authorised by the Secretary of State for Trade, and is a "widened-range" investment under the Trustee Investments Act, 1961. The Trustee is Bank of Scotland who holds the title to the trust's investments on behalf of the beneficiaries.

Charges. The offer price currently includes an initial service charge not exceeding 5% and a rounding adjustment not exceeding the lower of 1% or 1.25%. Out of this, commission of 1% (plus VAT where applicable) will be paid to bank stockbrokers, solicitors, accountants and qualified insurance brokers on applications bearing their stamp. In addition, a half-yearly charge out of which Managers' expenses and Trustees' fees are met, is deducted from the trust's assets. This charge is currently 18.75p per £100 on which 8% VAT is payable making a total deduction of 20.25p per £100.

Income. Distributions of net income are made on 28th February and 28th August, each year. These can be reinvested in further units if you wish.

### Application for a lump-sum purchase of

## HIGH RETURN UNIT TRUST

To: Save & Prosper Securities Limited, 4 Great St. Helens, London EC3P 3EP. Tel: 01-554 8899. Registered in England No. 788728. Registered office as above.

I wish to invest £

(minimum £250, or £50 for existing unitholders) in Save & Prosper High Return Unit Trust. I enclose a cheque for this amount made payable to Save & Prosper Securities Limited.

Signature (Mr/Ms/Miss) BLOCK LETTERS PLEASE First name(s) Address

I declare that I am over 18 and am not resident outside the UK or other Scheduled Territories and that I am not acquiring the above units as the nominee of any person outside these Territories. If you are unable to make this residential declaration it should be deleted and the form lodged through your UK bank, stockbroker or solicitor. This offer is not available to residents of the Republic of Ireland.

Signature Date Existing High Return Unit Trust unitholder please tick here. If you would like distributions of income to be reinvested in further units please tick here. If you would like details of our Share Exchange Plan please tick here.

Agent's Stamp 428/FT/1

**SAVE & PROSPER GROUP**



## FINANCE AND THE FAMILY

## Adverse possession

BY OUR LEGAL STAFF

My son bought his house 10 years ago. Some years before the previous owner had taken over a strip alongside the garden and fenced it. When can he be sure if this piece of land is his property? What if the owner were to turn up? The period of limitation under Section 4 of the Limitation Act 1939 is 12 years. Provided the possession of the "squatter" is adverse to the true owner, as your son's and his predecessor's appear to have been, the true owner's title will have been extinguished under Section 16 of the Act) once the combined total of continuous adverse possession reached 12 years.

## Valid claim for furniture

Parents died in 1947 leaving goods and chattels to their only daughter. She and her unmarried brother continued to live in the family home until 1960 when she left. He died last year. The lady lodged a claim against her brother's estate for the furniture and personal family items. The executor has refused to comply. For proof of her claim the wills of her parents can be produced, also two witnesses who knew the family home and know that the furniture was in her brother's possession until his death. Would you consider it

advisable to take this claim to court? On the facts which you state there would appear to be a valid claim by the daughter. We cannot say whether it is worth pursuing the claim without knowing the value of the property. If the estate is not greater than £15,000 a claim may be pursued in the County Court and the cost of doing this would not be unduly high.

## Return from abroad

A British citizen returns to work in the UK after living abroad for eight years. 1—Is he entitled to keep his overseas capital (accumulated during those years) where it is? 2—Does Bank of England permission have to be obtained, and if so, how? 3—Is there any possibility of permission not being granted? 4—Can the overseas funds subsequently be transferred at will from one overseas investment to another? 5—Are the overseas funds liable to UK capital gains tax and income tax? 6—Can a U.K. external bank account be retained? 7—Is there a publication which answers these and similar questions?

1 and 2—Bank of England permission has to be obtained, either direct or probably simpler, via your bank to retain investments abroad. Permission

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

would be granted, however, only in special circumstances. 3—It is possible that permission would not be granted, otherwise there would be no point in requiring permission.

4—Normally, overseas funds can be transferred if permission has been given for them to be retained.

5—Overseas funds are liable to both income and capital gains tax.

6—An external account can be kept if fed from external sources.

7—No. The practice of exchange control can only be determined by the bank.

## Registering a transfer

I try to transfer shares to my family on a do-it-yourself basis, but have had difficulties with registrars, who require an agent's stamp for exchange control reasons. This involves me both in trouble and expense. Can I not somehow make them register the transfer?

We agree that it is the duty of a company to register a transfer of shares which is properly executed and stamped. If you were to offer a statutory declaration as to the Exchange Control position with the transfer, you would be in a position to compel registration.

SUPPOSE YOU are travelling on the continent with your family in your own car which is laden also with personal belongings for holiday use. You leave your car properly locked while you all have a meal and on your return you find that it has been broken into, with cameras and other portable items stolen. When you get home you put in a claim under your holiday travel policy for the cost of replacements, this cost being well within that policy's financial limits for luggage and personal possessions. Some days later you get a letter from insurers accepting your claim in principle but referring you to a policy condition in these terms:

"If at the time the claim arises, there is any other insurance covering the same risk or any part thereof the Company shall not be liable to contribute more than its ratable proportion of the expenses costs loss or damage."

Insurer's letter goes on to say something on these lines—"Have you a motor policy or any other insurance covering this loss and, if so, have you claimed for this loss under such policy? If not will you now please do so so that we can each pay our own share of your claim."

This kind of letter brings the return traveller face to face with one of the fundamental legal principles of insurance—that where there are two or

## Surprise holiday package

more policies of indemnity covering the same person and the same risk then the policyholder cannot decide which insurer shall meet his claim—he must put that claim to both or all of them.

There is no argument that insurers are completely right in emphasising the established law by specific policy condition and then applying it appropriately to claims that are made: but it comes as a nasty shock to the returned traveller to be told to claim for part of the loss on his motor policy—because in so claiming he faces the loss of part or whole of his no claims discount on his motor policy at next renewal—the precise amount depending on his motor policy terms and his current NCD entitlement. There is no escape from this situation except that if the policyholder wants to keep his motor NCD he may have to agree to a proportionate settlement of his loss with his travel insurers, proportionate to the amount of their financial responsibility that he has presented his claim to both insurers.

Keeping with the holiday travel policy, there is, in all holiday packages, a section which provides personal accident cover. This section

determined amounts for death, for particular kinds of injury, and for total disablement. Insurers' liability to pay the promised amounts is unaffected by the traveller's holding of other personal accident cover

## INSURANCE

JOHN PHILIP

whether with other insurers or even with the same company.

The same however is not true of the medical expenses cover provided in holiday insurances: such cover is provided on an indemnity basis, with insurers paying out on production of the bills and accounts that the policyholder has incurred. So the principle of contribution applies to medical expenses claims and this can be important, for often some medical expenses cover is provided under annual personal accident and disablement policies while limited cover is afforded under most "comprehensive" motor policies. And that brings the claimant back to the NCD problem.

There is one possible exception to the rule of non-contribution to this empty, though expensive, sham will be the main parties' reaction to the report, expected next week, of the committee under Sir James Waddell on a new 16-plus examination.

## EDUCATION

MICHAEL DIXON

Certificate of Secondary Education, and the Education Department's unwillingness to accept the consequent "dog's breakfast" proposals dished up by the 77-member Schools Council two years ago. With fewer cooks, the Waddell Committee must produce recommendations which look more appetising. But I doubt that they will prove nutritious.

easy for insurers to decide how much each should pay. There are a number of contribution rules established by insurers, some tested in the courts, which apply where different policy financial limits operate.

Suppose you have had a £100 camera stolen from your car. If your travel policy provides £500 worth of cover and has no single article limit you can to a specified percentage of his earnings; the specified percentage is often in the range of 66 per cent to 75 per cent. In determining their liability, insurers take into account other due to the policyholder and perhaps even benefit payable under the state-run NHI scheme. So the policyholder claiming personal accident benefit under his travel insurance and getting that in full, may find that that payment diminishes the amount that would be otherwise due under his PHI policy.

With indemnity policies it is straightforward enough for the policyholder and insurers to agree that two or more policies cover the same risk and therefore in principle must contribute. But unless the contributing policies have virtually identical terms and financial limits so that each pays 50 per cent of the loss, it is often less

of academic study easy for them. But for most of us, beyond the acquisition of the skills of the Three Rs, the only point of academic study is to develop intellectual rigour by overcoming the difficulties of exacting subjects. So current practice, which is almost sure to be confirmed by the Waddell Report, boils down to putting millions of children through 11 years of largely pointless schooling, and then awarding them certificates signifying nothing.

By endorsing this yet again, the political parties would show that they, too, are content to tinker with the educational machine regardless of its purpose. Which brings us back to the 19th century thinker, who also wrote: "Be clever enough to start out from bad principles, and you cannot fail to be rightfully entitled to the bad consequences." I hope that will serve as a warning to the Conservatives on simple grounds of common sense. To Labour it should have an added urgency. It was written by Karl Marx.

## The house of a bankrupt

Due to ill health, I was made bankrupt last year. I have a wife and four children. As soon as I was bankrupt, pressure was, and is, being applied for me to sell my house and now my building society will not accept my payments and have issued an eviction order. My hearing is six weeks ahead, what can I do? Does the eviction by the creditors trustee rest on the hearing? I can, I think, pay off the bank and the building society, by means of a loan to be made to my wife, thus enabling her to own the house outright. Can this be done? Does the trustee act for the creditors only and

can we ask for a new trustee? Do I have a right to a copy of the statement of affairs? You do not need to yield to the pressure which is being put on you to leave your house if it is the family home, provided that you can make a realistic offer to pay arrears of money due on the building society mortgage and instalments as they become due. You cannot be evicted without a Court Order, and the court has a discretion to adjourn the case to enable you to pay off arrears. You should attend at the court hearing and explain what you have paid and what you have tendered, and show what you

can now pay. The creditors, as opposed to the building society, will not normally be able to evict you unless it is shown that you are maintaining too extravagant a home. The trustee does act primarily for the creditors. You should consult a solicitor who is on the Legal Advice panel if you wish to consider methods of paying off the mortgage loans through a third party. You are entitled to a copy of the statement of affairs, but cannot require the appointment of a new trustee as of right. As to obtaining an adjournment of any proceedings we can only repeat our advice to consult a solicitor.

## New test for party politicians

"WHO would think of judging the expediency of a machine's composition before examining and ascertaining its purpose?" That question, asked by a 19th century thinker, was meant to be derisory. But it can be answered perfectly seriously with the words: this country's educational policy-makers.

Just 21 months ago, when the Prime Minister made his controversial speech in Oxford, it seemed that things were changing. "The goals of our education are to equip children to the best of their ability for a lively, constructive place in society and also to fit them to do a job of work," Mr. Callaghan said.

Although questionable and loosely worded, the sentence was a definition of purpose. And it was spoken with the ring of a party-leader who has

decided that education might for once be a vote-winning issue.

Since then Mrs. Shirley Williams and her junior Ministers at the Department of Education and Science have made some commendable efforts, and numerous educators have semantically agreed with Mr. Callaghan's stated goals. But the Government has failed to get them accepted where it counts—in changes to the basic design of the educational machine.

With the political parties now composing the educational chapters of the election manifestoes, it is not hard to predict the results of this failure. It is the swift return of education, politically, to the negative status of a vote-losing issue.

The corollary is that it will be treated defensively in the manifesto, once more figuring as a subsidiary auction of promises to increase "opportunities" with little if any account of who or what might be expected to benefit from them, and how.

A pointer to whether or not the electorate is again to be

## A question of capital

THERE IS nothing like a recession to induce prolonged bouts of introspection. For the last three years the mining industry seems to have been putting itself on, and taking itself off, as a psychiatrist's couch. As the industry's worries have been exposed, one complaint has been constant.

It is what Mr. Ronald Fraser, the chairman of Hudson Bay Mining and Smelting, last year called "the erosion of industry's ability to generate capital," thus forcing it, at least partly, to abandon a traditional reliance on self-financing.

This has had a number of effects: a greater readiness to

mine and installed a plant which will handle a modest 400-500 tons of ore a day. Production starts this month and should generate an operating profit this year, although its contribution to the group's total revenue will not be immediately significant.

The financial calculations for bringing the mine back to production after a lapse of about 20 years have been based on a bullion price of \$130 an ounce. So it is off to a good start. Although the market has been quiet, yesterday's price was \$184.125.

Meanwhile, in New Mexico, on the top of Hill at Ortiz, GPMC has a potential open-pit gold mine with ore reserves of about 7m tons and an operating life of perhaps eight years. At the moment it is working on a heap leaching recovery process, and if its test work is satisfactorily concluded, the mine could come on stream in May, 1979.

Adopting another approach to the generation of fresh earnings, Charter, through its 46.3 per cent owned Berait Tin and Wolfram, is buying a wolfram operation in Portugal, Mines de Borralha, which is French-registered.

Berait is paying \$18m over a period of 17 months for Borralha, which will come under the control of its 80.55 per cent operating unit in Portugal. Borralha has a mine some 300 miles from Berait's operation in Panasqueira, but it also has a ferro-tungsten plant.

This plant would have been very attractive to Berait, which has been looking into the possibilities of establishing one of its own without coming to any

firm conclusion about it. And the extra mining production capacity of Borralha is not to be scorned.

Last year Borralha had a net profit of FFr 3.5m (£417,300) on an output of 226 tonnes of wolfram concentrates, but it has a development programme which should bring output up to 360 tonnes a year by 1980. For its part, Berait last year produced 1,267 tonnes, its lowest amount for several years.

Berait will be financing the purchase from reserves already in Portugal. Its last annual report showed that at the end of 1977 it had short-term deposits and cash in the bank of \$6.9m.

The third example of expansion in the strained circumstances of recession comes from the De Beers Central Selling Organisation, which is 72.6 per cent owned by RTZ. CRA's lead and zinc unit is Australian Mining and Smelting and it has unveiled an investment programme of A\$11.0m (£8.76m) to upgrade its processing facilities at Port Pirie and Newcastle.

The investment comes at a time when the metal markets are depressed and follows warnings given in May by Sir Rod Carnegie, the CRA chairman, that lead and zinc activities this year might end in a loss. Under these circumstances, there is little inducement to look for wholly new capacity.

The object of the investment at AM and S is therefore to produce higher quality lead, which will be achieved by putting in a plant to extract bismuth, and to process by-

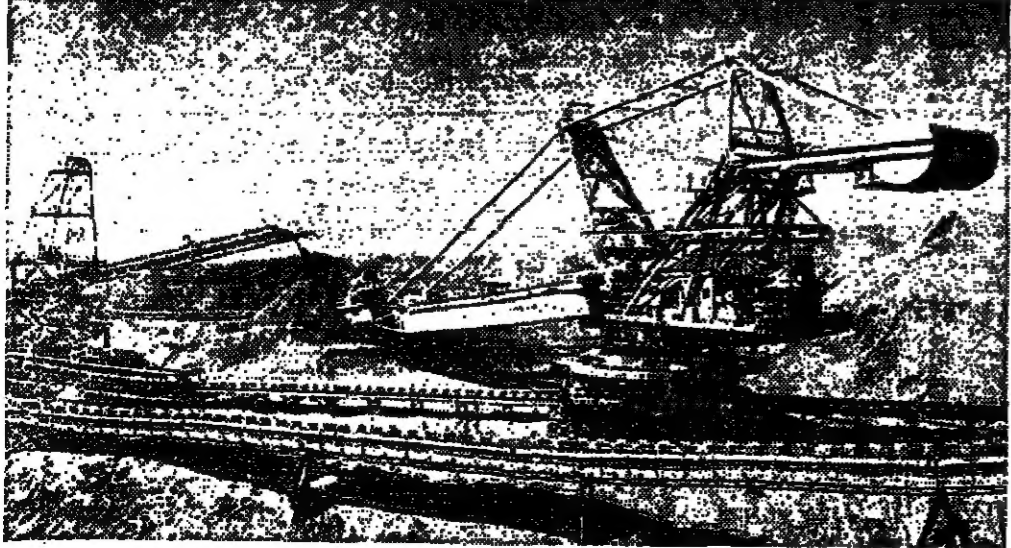
products of existing operations which are currently sent overseas for somebody else to add value.

Hampton Gold Mining Areas is expanding its UK coal interests by the purchase of Walflex, a private machinery company based in Yorkshire. The value of the deal is about £2.7m and payment is in cash and shares. Hampton is predicting dividend payments of 3.5p net for the year to next March and is paying 2.5p for the year to last March. The group is withdrawing from the Torrington wolfram venture in Australia.

The international rough gem diamond market is returning to normality and the De Beers Central Selling Organisation is reducing its surcharge to 10 per cent for the sale in London next week. It was 15 per cent last month and has gradually lowered from a peak 40 per cent levied in March.

Consolidated African Mines, the South African base metals producer which pioneered the export of iron ore to Japan, has applied to the courts for liquidation. Its last balance sheet for the year to June 1977 showed long-term debt of R3.5m (£2.14m) and net current liabilities of R3.7m.

Imperial Oil, the Canadian group which is 70 per cent owned by Exxon Corporation has applied to the Alberta authorities for permits to develop a coal mine at Judy Creek. Development work could start in 1982 with a view to production at an annual rate of 2.5m tons beginning in 1985.



Iron ore stockpiles owned by Hamersley Iron of the RTZ group at Port Dampier in Western Australia. The Japanese steel mills have been warning Australian producers that their requirements are reduced. They are seeking more flexible supply contracts.

Abbey National

**BOND SHARES**

Still a higher return on your capital.

Ever since they were first issued, Abbey National Bondshares have been highly recommended to the investor who can put money aside for 2 or 3 years.

The latest issue of 2 year and 3 year Bondshares pay respectively 7.20% and 7.70% annually. (The equivalent of 10.75% and 11.49% when income tax is paid at a basic rate of 33%.)

While these rates can vary they will always pay 0.5% more than the share account rate for two year bonds and 1.0% more for three year bonds.

Making them an ideal investment opportunity. Yet they still offer the investor real Building Society security. These days that's a very reassuring thing.

The minimum investment is £500, the maximum £15,000 (£30,000 for joint accounts).

Call in at your Abbey branch or fill in the coupon for more details.

WITH **ABBNEY NATIONAL** for the security you need today

To: Dept. BS, The Abbey National Building Society, Abbey House, Baker Street, London NW1 6XL.

NAME:

ADDRESS:

- ☐ I am interested in learning more about Abbey National Bondshares. Please send me details.
- ☐ I am interested in the full range of savings schemes. Abbey National offer. Please send me details.



## YOUR SAVINGS AND INVESTMENTS

## Worthy, but not wealthy

ONCE UPON a time—well, a matter of some 15 years ago, to be rather more precise—a bright young man came down from Cambridge all set to make his way in the world. In recognition of the fact that he had reached the age of discretion, his father dipped into the family coffers to provide him with some capital, in the belief that the boy would view the gift as a responsibility. Which, indeed, he did. "I suppose I was something of a socialist in those days," he says. "I thought that the money ought to be put into something productive." So he hired the very best investment advice—a particularly blue-blooded firm of stockbrokers—and put it into stocks and shares.

This is a true story, but not, unfortunately, a story with a happy ending. Indeed, when I met the man himself the other evening, and the talk turned to investment, he proved to be very, very unhappy indeed. He

took it ill that the market value of his investments should only recently have reverted to the level of the mid-1960s, and that there was very little to compensate him for the fall in the purchasing power of money in the meantime. He took it ill that such gains as he had made

INVESTMENT  
ADRIENNE GLEESON

should leave him liable to tax, when in all probability they were not real gains at all.

But what, above all, was gall and wormwood to him, was the fact that the "productive" use to which his money had been put had turned out to be so very much less rewarding than the frivoli objects d'art which had engaged the dilettante interest of his friends.

It is a view shared by a multi-

tude of others. Yet equities have advantages which very few of the "real" assets which enjoy investment fashion from time to time can match. For a start, they provide a return of sorts—it may be a negative return, by the time that the Inland Revenue has had its slice, but it's cash flow just the same. In the second place they are readily marketable, and at a price which can be determined with reasonable precision by even a tyro at the game. Holding what might—or might not—turn out to be a high-priced masterpiece is all very well in a small way; but it doesn't provide much of a basis for financial planning.

And finally, a holding of stocks and shares can be extremely lucrative. Equities, in particular, may not be the universal specific against the effects of inflation that they were once considered to be, but anyone with good timing can still make a very great deal of money out of them.



## Home, sweet home

IF YOU were to put yourself to the trouble of adding up the contents of your house are worth a lot more than you think.

This is what the insurance companies have been telling their customers, with increasing frequency, over recent months. And you don't want to wait until you have had a fire or a flood to take notice. If you have occasion to claim, you certainly won't get more than the sum insured—and that won't take you far, if your contents are a write-off and their replacement value has doubled in the period since you took out your contract.

Most people appreciate the value of index linking, but through the overall value of the sum insured may rise with an index-linked contract, the insurance company will still take wear and tear into account. Since you will almost certainly want to replace goods that have been destroyed with something new, it makes sense to go for a replacement cost type of insurance—like that offered by Commercial Union at a cost roughly 50 per cent. higher than that for the conventional type.

One final word on cost. It is most definitely worth while to shop around.

contents of your house are worth a lot more than you think.

This is what the insurance companies have been telling their customers, with increasing frequency, over recent months. And you don't want to wait until you have had a fire or a flood to take notice. If you have occasion to claim, you certainly won't get more than the sum insured—and that won't take you far, if your contents are a write-off and their replacement value has doubled in the period since you took out your contract.

Most people appreciate the value of index linking, but through the overall value of the sum insured may rise with an index-linked contract, the insurance company will still take wear and tear into account. Since you will almost certainly want to replace goods that have been destroyed with something new, it makes sense to go for a replacement cost type of insurance—like that offered by Commercial Union at a cost roughly 50 per cent. higher than that for the conventional type.

One final word on cost. It is most definitely worth while to shop around.

COUNTING THE COST OF THE CONTENTS  
YOUR HOME

Hall, stairway and landing:	
Carpets	£200
Pictures, lamps, ornaments	£50
Curtains	£50
Sitting room:	
Sofa	£250
Two easy chairs	£200
Bookshelves/units	£200
Occasional tables, stools, lamps	£50
Curtains, carpets	£200
Books, pictures, plants, ornaments	£300
Colour television	£400
Stereo unit	£350
Dining room:	
Table and chairs	£400
Sideboard/dresser	£150
Curtains, carpet	£300
Pictures, lamps	£50
Table linen, glass, cutlery	£200
Kitchen:	
Kitchen units	£400
Carpets	£50
Washing machine	£150
Spin dryer	£70
Cooker	£150
Fridge	£70
Other kitchen equipment	£120
Crockery, pots, pans	£50
Implement	£20
Food and drink	£50
Bathroom:	
Curtains and carpet	£100
Lamps and mirrors	£20
Laundry storage, contents of airing cupboard	£50
Bedroom 1:	
Double bed	£200
Wardrobes, dressing tables	£400
Curtains and carpet	£250
Pictures, lamps, mirrors	£50
Bed linen and coverings	£70
Clothing, shoes for two adults	£300
Toiletries, cosmetics	£50
Bedroom 2:	
Two single beds	£220
Wardrobes, working space, etc.	£350
Curtains and carpet	£150
Pictures and lamps	£50
Clothing, shoes for two children	£200
Games, toys, study materials	£50
Record player, radio	£50
Bedroom 3:	
Couch	£90
Curtains and carpet	£100
Desk, files, typewriter	£150
Lamps, books	£50

## Light from Solar

THE DEVELOPMENT of unit-linked life assurance, and the linking of regular savings for unit trusts with a life assurance contract, has meant that insurance brokers are now being approached by clients for investment advice. Many brokers have not been trained to give it, nor have they acquired much expertise.

The linked life companies and certain unit trust groups are endeavouring to meet brokers' requirements in this respect, by issuing regular guides to professional advisers in which they set out their current views on the investment situation, both in the UK and overseas. But Solar Life, the linked life arm of Sun Life Assurance, has joined the ranks of the select few groups that arrange for face-to-face meetings with such advisers.

One recent meeting was very instructive, not so much what the Solar investment manager had to say—though they are enthusiastic about investment abroad, particularly in the Far East—but for what the advisers themselves had to say afterwards.

From the gathering it was apparent that the advisers fall into two distinct groups. On one hand there are those who are primarily investment men, using life assurance as a useful vehicle of strategy for their clients. Their questions probed deeply into what Solar was doing, and which way it would be moving. The others were straight-forward insurance brokers, to whom this area appeared to be very much uncharted waters. Many of them, when asked by clients whether to go for an equity, property or fixed-interest fund, really do not know which recommendation to make.

## The cost of rescue

IF YOU have taken out a life policy in the past four years—since the beginning of 1975—then it is to be hoped you are prepared to help fellow policyholders less fortunate than yourselves. For the latest report of the Policyholders Protection Board shows that it will be making another levy on

investors getting 70 per cent of what they were entitled to. Now they are getting 90 per cent. But the Board has to make up the 20 per cent difference between what was and what is now being paid, in a lump sum payment at a cost of £500,000. It has already used up all the money raised from the previous levy, and has been running its operations on an overdraft. The accounts show that it was £150,000 in the red at end-March. In addition, the Board expects to pay out £1.25m next month in respect of guarantees made over Fidelity Life.

Some of this money, at least, may be recovered, at some date will into the future, but meanwhile the Board needs cash; and it is plain that once its precise requirements are known, it will be making a second levy. The first—4 per cent of premium income—was made in August 1976. Although the sums involved may seem huge, the levy represents only a minute percentage of your profits taken out in 1976 or later. It seems a small price to pay for the security of the industry. Unless, that is, the Board is at present you hold the view—as the making interim payments to the Scottish life companies still do policyholders of Capital Annuity. Up to last May, such come from general taxation.



... and please accept this watch and the bill for the VAT...

## Taxing time

IT IS perhaps an indication of the state of Britain today, that a judge in all his panoply, with counsel and attendant minions, should have assembled in London recently to debate the question: should a company which presents its employees with gifts to mark their long and honourable service, be liable to VAT? But so it was; and the answer which emerged from Mr. Justice Neill in the Chancery Division last week was yes, it should.

Mr. Justice Neill held that the gift of the occasional gold watch or carriage clock by RHM Bakeries (Northern), to employees who had put in 25 years with the company, being "proper steps taken to promote good industrial relations," could not be considered as being done otherwise than in the course of the company's business. And since the said gold watch or carriage clock (a gift worth more than £10, to be precise) was supplied in the course of the company's business, the company was liable to VAT.

The case hinged on the question of whether the occasional gold watch, or carriage clock, or whatever, is an emolument—like wages and salaries; or whether it is a taxable gift. For inland Revenue purposes (as distinct from those of the Commissioners of Customs and Excise—who supervise the working of VAT), anything which an employee receives from his employer is taxable.

We therefore have a curious position, in that the recipient of a gold watch (or carriage clock) is technically liable to income tax on the gift (though exempted by an extra statutory concession, provided the article in question is of "reasonable cost," and that the employee in question has put in not less than 20 years with the company), while the donor is liable to VAT. Is it worth it?

British National, the life insurance company associated with Framlington Unit Management since inception, invites applications for a new single-premium investment bond. The offer is limited to a total of £1 million, and subscriptions may range from £1,000 to £40,000 per investor. There is no extra initial charge and units will be credited at the published offer price. The Bond incorporates a number of special features making it particularly attractive to high-rate taxpayers and to parents wishing to make investments on behalf of their children. A substantial life assurance benefit is included at minimal cost, while the superb performance of the Framlington Capital Trust makes this Limited Offer worthy of serious consideration by every investor seeking security with substantial prospects of capital growth.

**British National and Framlington**  
British National Life Insurance Society Limited, originally established in 1922, is a wholly-owned subsidiary of Framlington Holdings Limited, part of the London Merchant Securities Group of Companies. The Life Fund stands at £5,500,000, with an annual premium income in 1977 of £800,000, and there are 8,000 policyholders.

Framlington Unit Management Limited (FUM) was established in 1967 as a Unit Trust Management company, and now manages four authorised unit trusts. The two companies enjoy a very close association dating from the formation of FUM, and there are more than 2,000 British National policyholders whose policies are directly linked to the Framlington Capital Trust.

**Successful Investment Management**  
While there are several important and inter-dependent factors which contribute to successful investment management, such as the amount of capital available, investment spread and knowledge of the market, the most involved the ultimate criterion of success is sustained and consistent performance.

Framlington Capital Trust, managed by FUM, demonstrates just such a proven record of successful investment performance and management. The facts speak for themselves.

The June 1978 edition of Money Management compares the performance of over 200 different Unit Trusts and shows the results that would have been achieved had £1,000 been invested in the Trusts five years ago, and at more recent dates.

The following table illustrates these results and measures the performance of the Framlington Capital Trust against the Unitholder Taxation Unit Trust and the F.I. All-Share Index.

Years Since Invested	Framlington Capital Trust Value Now	Unitholder Index Value Now	F.I. All-Share Index Value Now
5 years	£1942	£1190	£1235
4 years	£2344	£1529	£1759
3 years	£2384	£1364	£1536
2 years	£1838	£1184	£1219
1 year	£1401	£1115	£1090

## Framlington Capital Trust

The objective of the Trust, which is the largest managed by FUM Limited, is to achieve the greatest possible capital appreciation commensurate with the payment of a yield to unitholders roughly in line with the industrial average. Since its launch on January 31st 1969, Framlington Capital Trust has out-performed the All-Share Index by an average of 7.8 per cent compound.

## What the Bond Offers

The Bond is a single-premium life assurance contract linked to the Framlington Capital Trust. It will appeal particularly to higher-rate taxpayers who wish to defer part of their tax liability until such time as their income places them in a lower tax bracket—for example, on retirement. It is also a convenient vehicle for the investment of money given by parents to infant children whose income would normally be aggregated with their own. The taxation treatment of the proceeds of the Bond is complex and can vary dramatically with the level of the Bondholder's income in the tax year in which the Bond is surrendered. If the tax liabilities are to be minimised (or even eliminated entirely) proper professional advice should be sought at the time surrender is contemplated.

## How it Works

Bondholders' money is used to purchase units of the Framlington Capital Trust, which invests in various sectors of the British Stock Market.

Every six months the Trust distributes accumulated income to its unitholders. The payments are applicable to Bondholders' policies will be re-invested in further units on their behalf. Thus, the total number of units attached to their policies can be expected to increase regularly.

## Following Your Bond's Progress

You will be told on receipt of your premium how many units in the Framlington Capital Trust have been allocated to your policy. The price of the units is calculated weekly and the up-to-date figure is published in most leading newspapers. A report reviewing the progress of the Trust will be sent to you each year, and this will include a statement setting out the total number of units which have accumulated.

## Growth Potential

It is important to remember that the value of units can go down as well as up, and since the underlying trust is designed as a medium-to-long-term investment, fluctuations in the price of the units are inevitable. The ultimate price will also be affected by any encashment of the investment which the Bondholder may have made, whether on a regular basis or otherwise.

By way of illustration, the tables below show the growth which would be achieved for an initial investment of £1,000 if the unit values together with re-invested income were to rise each year by 7½%, 10% or 12%, assuming that no withdrawals had been made.

Period of Years	Growth Rate of 7½%	Growth Rate of 10%	Growth Rate of 12%
After 5 years	£1,340	£1,514	£1,657
10 years	£1,937	£2,338	£2,920
15 years	£2,781	£3,927	£5,145
20 years	£4,005	£6,324	£9,068
25 years	£5,732	£10,185	£15,950

Investors should note that while these rates of growth are entirely realistic, they are not guaranteed.

## The Life Assurance Benefits

The British National Framlington Bond is technically a "single premium whole life assurance contract." The sum payable at death is related to the bid value of the units at death and the Bondholder's age at death as shown in the following table.

In certain cases it may be necessary for the prospective investor to be medically examined. A deduction will be made in respect of any Capital Gains Tax for which the Society may be liable.

Age last birthday at Death	Death Benefit (expressed as a percentage of the value of the Units before deduction of CGT)
30 or less	250%
31-35	225%
36-40	175%
41-45	140%
46-50	120%
51-55	112%
56-60	108%
61-65	104%
66-70	102%
71 and over	101%

## Drawing Income from The Bond

Whilst in many cases the sole reason for investment in the British National Framlington Bond is long-term capital appreciation, some investors may also wish to receive income from their investment. This can be achieved by operating a special withdrawal facility, under which units can be encashed at intervals to provide cash sums or pre-arranged amounts on which neither Income Tax nor Capital Gains Tax is payable by the Bondholder.

The percentage of units withdrawn will depend upon individual investors' requirements. 5% of the purchase price is the maximum which may normally be withdrawn in any Tax Year without incurring any tax liabilities. There is no maximum withdrawal, but investors should recognise that excessively heavy withdrawals may incur tax liabilities, and that any withdrawal greater than the equivalent net income receivable from each holding of units effectively means a sale of capital.

The only restriction on this facility is that each withdrawal must be for a minimum of £50. No charge is made for the use of this facility and withdrawals may be made Half-yearly or Annually.

## Cashing In Your Investment

You may surrender your Bond at any time for cash, either totally or partially, simply by notifying the Society in the form prescribed provided that the minimum cash value to be taken on partial surrender is not less than £50, and the residual value of the Bond is not less than £500.

The value of the Units will be taken at the bid price at the next valuation after receipt of your instructions, and you will then receive a cheque, usually within a few days. In exceptional circumstances the Society reserves the right to defer the cashing in of units for up to one month. Investors should note that the amount of cash for which a Bond may be surrendered is not guaranteed. Furthermore, in common with most medium to long-term investments, early termination will almost certainly result in a return of rather less than the original investment.

## The Costs of Subscribing

On receipt of your cheque, the whole of the single premium will be applied to purchase units in Framlington Capital Trust at the bid price. Each month British National makes a management charge equivalent to 1.5% of the bid value of the units, but the whole of the net income (after tax) is re-invested to provide you with further units as explained above.

On withdrawal, surrender or death, units are realised at the bid price. A deduction in respect of Capital Gains Tax, to which British National may be liable, will be made in all such cases.

However, British National may not actually need to sell the units, and the tax liability would thus be deferred. It is expected that in practice a lower deduction will be made for Capital Gains Tax, but the right is reserved to charge the full amount of tax should circumstances warrant it.

British National Framlington Bond  
APPLICATION FORM

Name in full of life assured: Mr/Ms/Miss \_\_\_\_\_

Full address: \_\_\_\_\_

Date of birth: \_\_\_\_\_

Investment required (minimum £1,000): £ \_\_\_\_\_

Name and address of life assured's doctor: \_\_\_\_\_

Details of any illness of life assured requiring investigation by doctor or hospital: \_\_\_\_\_

Height: \_\_\_\_\_ Weight: \_\_\_\_\_ of life assured

Present state of health of life assured: \_\_\_\_\_

I declare that the statements made above are true and complete and that no material information has been withheld and agree that this proposal shall form the basis of the contract with British National Life Insurance Society Limited.

Signature of life to be assured: \_\_\_\_\_

Date of application: \_\_\_\_\_

Send to:  
British National Life Insurance Society Ltd.  
Torrington House, Torrington Drive,  
Loughborough, Leicestershire.



BRITISH NATIONAL  
LIFE INSURANCE  
SOCIETY LIMITED

MAKE MONEY  
—WITH A PHONE CALL

Every day many people make money simply by a phone call to a stockbroker. You could be able to buy or sell stocks and shares and use money more shrewdly than Britain's other two million investors.

## HOW IS THIS POSSIBLE?

Simply through a unique 12-week home course. The Art of Investment, written by professional investors, stockbrokers and accountants. Step by step they show you how to make money.

## NO RISK—it costs you nothing unless you are satisfied.

Even without previous knowledge—even with a capital as low as £100—you could be profitably dealing in stocks and shares in 12 weeks' time. Send today for FREE details without obligation.

RELiance SCHOOL OF INVESTMENT  
FREEPOST 100  
London SW3 2BR



## Key Exempt Fund tops the tables of managed pension funds

The Key Exempt Fund has beaten its rivals over the past three years, thanks to the expertise of Key Fund Managers, part of the Keyser Ullmann investment team. This is shown in a survey of over 50 equity managed pension funds, published in SATINGS MARKET, April/June 1978.

Key Exempt Fund is just one of the ways pension and charity funds can take advantage of Keyser Ullmann investment skills.

Key Fund Managers also run a range of funds for the private investor.

If you would like more information about Key Exempt, or any of the other Key Funds,

please return the coupon or telephone Peter Campbell on 01-606 7070.

To: Key Fund Managers Ltd., 25 Milk Street, London EC3V 9JE. Tel: 01-606 7070.  
☐ Please let me have details of the Key Exempt Fund.  
☐ I would also like details of the other Key Funds.

Name: \_\_\_\_\_

Pension Fund or Charity: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of the Unit Trust Association: \_\_\_\_\_

Signature of the Unit Trust Association: \_\_\_\_\_

Keyser Ullmann



## An incentive for management . . .

Corporate ownership of one of the famous Loch Rannoch Highland Lodges can be of benefit to you, your company and your colleagues. It is a worry free investment that can pay huge dividends in motivational terms whilst at the same time increasing in value.

Loch Rannoch, in the Scottish Highlands, boasts Britain's first multi-ownership development 25 superb holiday lodges constructed and furnished in the most luxurious manner possible. Set on the banks of beautiful Loch Rannoch, and overlooked by some of the most attractive scenery to be found in Scotland, the lodges are ideal for directors, executives and others working under pressure to snatch a relaxing and refreshing holiday. They're also ideal for convalescence, ultra-private meetings, customer hospitality, incentive schemes for customers and staff or for sporting holidays.

What's more, there's no large capital investment. Instead of buying the lodges, companies are able to purchase the rights in perpetuity to use their lodges for specified weeks in each year. This unique scheme—a first in Britain—of which the custodian trustee is a Scottish clearing Bank minimises the capital investment.

The lodges themselves are superbly equipped and include every luxury, they sleep from two to eight people. Our larger lodges have 3 bedrooms, 3 bathrooms, their own Sauna and sleep up to eight people not to mention an £8,000 walk-round kitchen fitted with every device, right down to an electric ice crusher.

We can obtain stalking and fishing rights where required, and the facilities of our luxury Loch Rannoch Hotel nearby are also open to lodge owners. (The restaurant is rapidly gaining a deserved reputation for the excellence of its menu.) Plans are in hand to add a squash court and other facilities to the Hotel.

If your company is seeking a tax free incentive for its directors and management, or merely looking for a quiet hideaway for private meetings, you could not do better than to consider Loch Rannoch's Highland Lodges. A high season week for ever costs around £4,950, whilst one in, for example, November, is as low as £700.

For more details, and a copy of our colour brochure, please contact Multi-Ownership and Hotels Ltd., 6, Half Moon Street, London, W1Y 7RA. (01-629 2731—24 hour service).

## PROPERTY

# The great Atlantic price divide

BY JOE RENNISON

TWO WELL-KNOWN American statesmen have just put luxury class houses on the market. Former Vice-President Nelson Rockefeller is selling "The Anchorage" on Mount Desert Island, off the rocky coast of Maine, which overlooks the sea and offshore islands and yet is only 55 minutes by private jet from New York.

The Averil Harriman country retreat is set in 57 acres of grounds, of which seven acres are landscaped lawns and gardens, on the York Town Heights, Chester County, and it lies only 45 minutes by car from mid-town Manhattan.

"The Anchorage" was built in 1939 under Mr. Rockefeller's personal supervision; he kept off the grounds and instructed the architect as to which of the magnificent surrounding views he wanted to enjoy from each room. As Edward Cave, Chairman of Sotheby Realty Corporation which is selling Birchgrove, says: "The house is built in addition to a fine luxury built in this splendid right-over-the-sea position—quite apart from the astronomical costs today pool with three bedrooms, forbidding building closer than 75 feet from the water."

Of the 21 rooms of the house (including eight family bedrooms and seven staff rooms) the most dramatic is the far-shaped double level living room, through the floor to ceiling windows of which there are fabulous sea views.

Outside the banquet-sized dining room a large deck is cantilevered high over the sea-swept rocks. The master bedroom suite also opens on a large deck and a number of other bedrooms and guest rooms have either balconies or decks. From the circular observation tower there are lofty views of the two acres of landscaped grounds, the heated saltwater swimming pool, and the magnificent New England seascapes.

The ex-Vice-President has decided to sell the house because he can visit it so seldom. "He hasn't spent more than a weekend a year here for the last 20 years," explains Edward Cave, "but a staff of four caretakers have always kept the place in shape. The families of members of the Ford estate, and of other Rockefeller, are close to this million dollar house which now awaits another equally rich owner."

With the 15-room "Birchgrove," York Town Heights, both properties, points out: "This house could not now be built in this splendid right-over-the-sea position—quite apart from the astronomical costs today pool with three bedrooms, forbidding building closer than 75 feet from the water."

In the two-storey grey painted claspboard "Birchgrove" the windows of the library, sun through the floor to ceiling windows of which there are fabulous sea views.

the market for the first time, and the agents claim they are among the most expensive flats in London, although not on pounds sterling per square foot. Gloucester House, 149, Old Park Lane is an imposing, listed, neo-classical building, with a faience exterior, and was built in 1907. Until last summer when PL Properties purchased it, and began its conversion and modernisation, the six-floor building had lain vacant since 1969.

Each of the five apartments and penthouse with their beautifully proportioned panelled rooms, fine mouldings and cornices, occupy the entire length, 136 ft (41.55 metres) of a floor.

Each lease will run for 999 years. Owners of the apartments will have unrivalled views over Green Park, and those on the top floors will be able to see Hyde Park and glimpse Buckingham Palace Gardens.

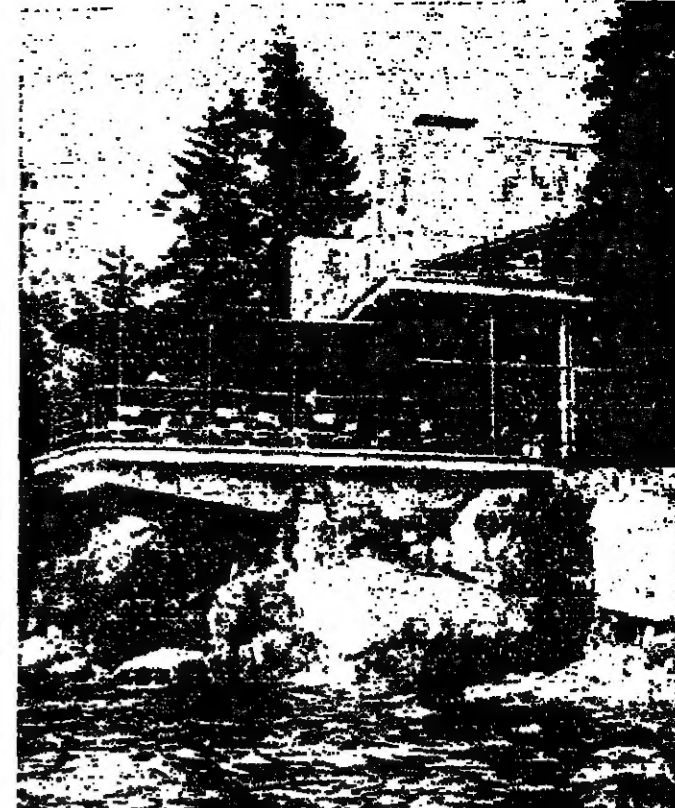
The second floor show flat, 5,300 sq ft (500 sq metres) the first of the apartments to be converted by the architects, Blomfield and Partners, is similar in size to the penthouse. The furnishings and colour schemes would delight any potential buyer whether he be a Prince, diplomat or international businessman. They were chosen by Zargon, the interior design firm. One hundred years old marble, engraved and polished, is used for the top of the dining table made by Cicchetti, the Italian firm.

Much of the panning and many of the friezes in this beautiful building are original. Although damaged, the builders have lovingly restored them to their former splendour. The show flat's drawing and family rooms which together measure 20 ft x 62 ft (6.1 metres x 18.9 metres) are painted in deep and pale buttermilk, with the friezes and motifs picked out in gold. The cinnamon silk velvet outer curtains are bordered with French braid. The inner curtains are of pale yellow Thai silk. The apartments are double glazed throughout, and each has an entirely new and independent hot water and central heating installation. Telex facilities will also be available. Particular attention has been paid to the security of the

building, and the developers are consulting with the Metropolitan Police on the latest protection measures. It is also planned that a day and night porter will confront all callers, and each apartment's individual front door can be opened by means of a closed circuit television panel, mounted on an inside wall. One of the flats is under offer and another is subject to negotiation at present. Joint agents: Hampton and Sons, 6, Arlington Street, London, W1. Ayton Hooper, Albemarle House, Albemarle Street, W1.

Compare the size (and large grounds) and prices of those two American properties with what is being asked for London's St. John's Wood. This area has recently seen some spectacular prices paid for its high-quality bricks and mortar. Brian Lake and Partners of St. John's Wood High Street are selling No. 48 Avenue Road, a substantial five-bed, five-bath period house with a 37-year lease to run.

The owner of this house is from Ireland and was planning to take up residence with his family in England. After a most extravagant refurbishment, he changed his mind about moving in and, unexpectedly, instructed the agents to sell the house as quickly as possible. Within 48 hours of receiving his formal



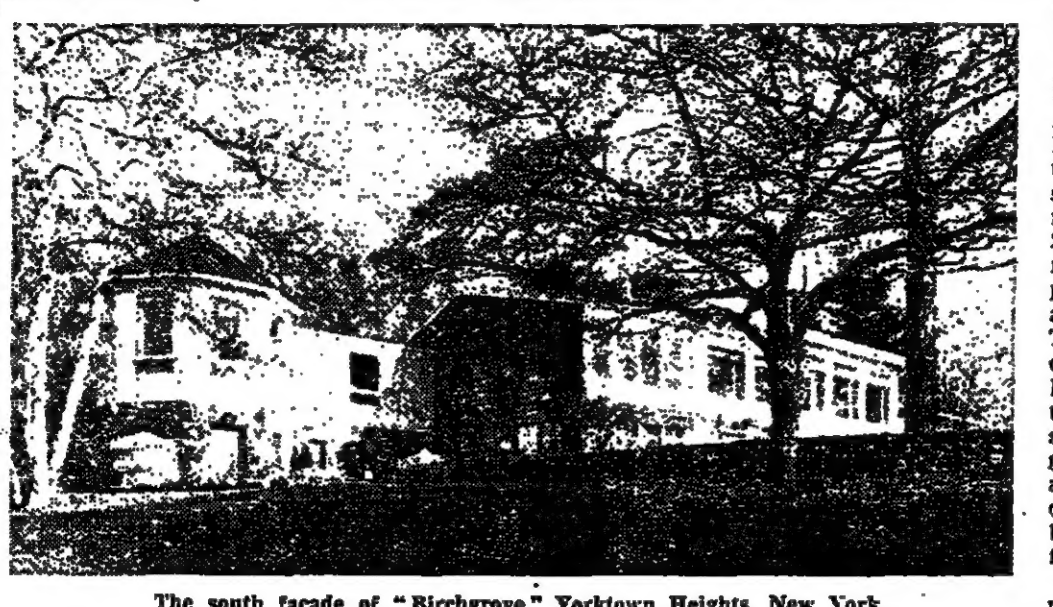
The cantilevered "deck" patio at "The Anchorage," on the Maine coast.

instructions they had shown the house to a number of prospective English and overseas buyers and received an offer of £450,000. His immediate reaction to this was euphoric, but he declined to accept this offer and the agents are still offering the property. This sale will, undoubtedly, be used by market onlookers as a barometer for the state of the up-market property situation. Although it is generally accepted that this end of the market has now gone rather flat, it seems that for the right product, there are still many potential buyers around. It is interesting to note that the expected Middle Eastern resurgence this summer to buy English homes, is not happening at the moment with anything like the expected volume of sales. With the religious festival of Ramadan for the whole month of August, it is going to be a very short selling season to this selection of buyers, if indeed, there is going to be one at all. However, it is now clearly apparent that the upper end of the market is not entirely supported by Middle Eastern purchasers and many English and European buyers are in the market for this type of housing. It remains to be seen whether this particular vendor's decision not to accept his first offer was justified.

### CUBITT & WEST

**SUNFOLD, near HORSHAM**  
Almost unspoilt countryside with views Billingshurst 4 miles, Horsham 5 miles, Guildford 14 miles.  
**180 ACRE FARM** with superb single storey residence in lovely position. 3 main beds, 2 baths, study, 4th bed, 10 ft. x 30 ft. open plan living room, kitchen with breakfast area, oil C.H., double garage, Guest or Staff cottage adjoining, 6 acres of secluded garden, 140 ft. x 140 ft. of pasture. Other invited as a whole or with less land. 11 pictures.  
Golfers' Office, 44 High St. Tel. (0432) 69563 or Horsham Office, 4 South St. Tel. (0403) 63268.

**WOKING-SURREY**  
Within a private gated estate exactly 5 miles level walk from town and station (Waterloo 28 mins.).  
**IDEAL FOR ENTERTAINING.** Fine quality built family home with superb rooms. Scope for division if separate unit required. 5 beds, 2 dress, 2 baths, 2' attic rms., lovely hall, 3 large rooms, study, 2 bedrooms, C.H., 2 garages, and 1/4 acre of garden with tennis lawn. £90,000 freehold.  
Golfers' Office, 44 High St. Tel. (0432) 69563.



The south facade of "Birchgrove," Yorktown Heights, New York.

## PROPERTY ESTATES AND FARMS: INVESTMENTS: SHOOTING: COUNTRY PROPERTY: OVERSEAS PROPERTY: LAND

### SAVILLS

**WEST SUSSEX 423 ACRES**  
The Chichester Plain  
Chichester 5 miles, London 70 miles  
**A first class commercial arable farm all Grade 1 and 2**  
**LOT 1 Park Farm . . . about 385 acres.**  
Modern Farmhouse and 2 cottages. Extensive Modern and Traditional farmbuildings.  
**LOT 2 Moreels Farm . . . about 137 acres.**  
Cottage. Range of Modern and Traditional farmbuildings.  
**LOT 3 Butterlees Farmhouse . . . about 1 acre.**  
For Sale in lots or as a whole by tender on 10th August, 1978.  
SAVILLS, 20 Grosvenor Hill, Berkeley Square, London W.1.  
Tel: 01-499 8644.

**JAMES HARRIS AND SON, CHARTERED SURVEYORS**  
Winchester  
**HAMPSHIRE—THE ITCHEN VALLEY**  
AVINGTON—near WINCHESTER  
An Outstanding Agricultural Investment  
**THE AVINGTON MANOR FARMS AND ESTATE**  
over 1130 ACRES  
Subject to the Agricultural Tenancy  
FOR SALE BY PRIVATE TREATY  
Chartered Surveyors: Messrs. James Harris & Son, Jersey Chambers, Winchester, Hampshire, Winchester (0962) 2355, 60139.  
Solicitors: May, May & Merritts, 12 South Square, Grays Inn, London EC1A 3BA.

**FRANCE COTE D'AZUR**  
near  
**CAGNES SUR MER**  
**DOMAINE DU BAOU**  
Small blocks of flats in beautiful park with swimming pool—Tennis court—Bowling area—etc. . . . Studio-flats—three-room flats—equipped kitchens—etc. . . . Some flats already available.  
Information from:  
CEGI  
6, avenue des Phocéens  
06300 Nice, France  
Tel: (93) 80.07.22

**FRANCE Office of Notary LAGARDE**  
F.36700 CHATILLON s/ INDRE — Tel: (34) 38.70.39  
**EXCEPTIONAL INVESTMENT**  
Following the withdrawal of a partner, sale of **VERY FINE POPULAR PLANTATION** situated in the heart of Touraine near to the castles. Very good property, along the river Indre. Good fishing on 1 km long.  
For information and offer:  
Etude du Notaire LAGARDE—F.36700 CHATILLON S/INDRE—France

**ESTABLISHED CHALET PARK REQUIRED FOR INVESTMENT**  
Advertiser prepared to agree terms now for completion in autumn.  
Full details to Box T.4911, Financial Times, 10, Cannon Street, EC4P 4BY.

By Direction of Charles Clore  
**THE STYPE ESTATE**  
**Wiltshire/Berkshire Border**  
Hungerford 3 miles  
**An Important Residential, Sporting and Agricultural Estate**  
Main house, annexe, garage block, swimming pool and lake. Secondary house. 41 other houses and cottages. Stud Farm with 22 boxes. Dairy and arable farm with unit to milk over 500. About 645 acres of woodland. Exceptional pheasant shoot.  
**IN ALL ABOUT 2,060 ACRES**  
For sale by auction at 2.30 p.m. on 25th July 1978 at Elcot Park Hotel, Kintbury, nr. Newbury (unless previously sold) (68504/CF)

**Knight Frank & Rutley**  
20 Hanover Square London W1R 0AH  
Telephone 01-629 8171 Telex 265384

**Jackson-Stops & Staff**  
14 CURZON STREET LONDON W1 01-499-6291  
**NORTH WALES**  
Chester 18 miles, Liverpool 36 miles, Manchester 28 miles  
One of the finest residential agricultural and sporting estates in the north west  
**BODIDIR ESTATE, LLANDEGLA, CLWYD**  
Superb Tudor mansion, modern farmsteads, modernised cottages, woodlands and land. Well established pheasant shoot and arable moors.  
**ABOUT 3,658 ACRES IN ALL**  
For sale by auction in lots on a date to be announced unless previously sold as a whole privately.  
Further details apply.  
JACKSON-STOPS & STAFF, CHESTER, TEL: (0244) 28361.

**QUEEN'S GATE MEWS S.W.7**  
FREEHOLD SPACIOUS FAMILY MEWS HOUSE IN QUIET COUNTRY  
17ft. Reception Room, Dining Room, Kitchen, Garage, 2 Double Beds, Single Bed, Shower-room, Bath, room/vec. Recently redecorated throughout, £74,000 to include fixtures and fittings.  
Ring 01-373 4483 Weekend or 01-636 8468 extn. 26  
Office hours

**SURREY — KEIGATE TO LET**  
Select residential pavilion. Detached family house 3/4 reception room, kitchen, conservatory. Principal bedroom with en suite bathroom. 3-4 further bedrooms, bathroom, Garage and parking space. Gas central heating. Secluded gardens about 1 acre, with part-time gardener and domestic help currently employed. To be let furnished for one year (possibly longer) from mid August. Rent £250 per calendar month including rates. Box T.4914, Financial Times, 10, Cannon Street, EC4P 4BY.

**FOR SALE BY PRIVATE TREATY NORTH YORKSHIRE TEESIDE BORDER**  
An outstanding Country Manor House of immense character set in an unrivalled, well-wooded grounds of 16.87 acres or thereabouts, including paddocks of 1.15 acres. The residence itself includes 4 main reception rooms, plus kitchen and usual ancillary rooms. 7 first floor double bedrooms, 4 bathrooms, 5 secondary bedrooms, 37ft. games room, together with garage or several cars, 3-bedroomed self-contained chauffeur's flat, stable block and numerous outbuildings. Only half-mile west of A19 and 12 miles east of A1.  
Tennside 12 miles Northallerton 7 miles York 35 miles Thirsk 12 miles  
Offers in the region of £120,000 invited.  
Full particulars from Sale Agents **BOLTON & COOPER LTD.** 22, High Petergate, Yorks, Tel. 27777

**GEORGE MAWER & CO.**  
Chartered Surveyors, Auctioneers, Land and Estate Agents  
By direction of Sir John Eastwood  
North Yorkshire  
(10 miles south from York)  
The Important Freehold Agricultural & Sporting Estate known as  
**THE THICKET PRIORY ESTATE**  
together with  
Blackwoods Farm, Langwith and Elvington, Nr. York.  
EXTENDING IN ALL TO ABOUT  
**3254 ACRES**  
comprising  
**With VACANT POSSESSION**  
The Well Equipped Modern Farming Unit with 2 Large Dairy & Livestock Units  
Comprehensive Buildings together with **VEGETABLE PROCESSING FACTORY** and  
**COLD STORE (capacity 2,000 tons plus)** (erected 1975) extending to about  
**2462 ACRES**  
(including 150 acres Woodlands)  
Live and deadstock at valuation if required  
For sale as a whole or in lots  
Particulars and plans from Sole Agents—  
**GEORGE MAWER & CO.**  
Market Place, Market Rasen (Tel. 3303) Lincs.

**SCOTLAND PERTSHIRE**  
Perth 42 miles  
A Beautifully Situated Sporting and Hill Farming Estate  
Extending to about 3,220 Acres  
Small Mansion House  
4 Reception, 5 Bedrooms, 2 Bathrooms, Oil Central Heating, Staff quarters  
41 Miles on River Lyon 61 fish 600 Breeding Eels  
22 Stags 29 Hinds 41 brace grouse  
200 Acres  
For Sale as a Whole or in Four Lots  
Apply: **BELLINGHAM, Chartered Surveyors & Estate Agents,** Durn, Isla Road, Perth. 0738 21121.  
(24 hour answering service)

**MISS RUTH JONES** is proud to announce the availability of **FOUR SUPERB FLATS or MAISONNETTES** in the restored **GREATWOOD MANSION** each with joint rights over 700 yards **FRONTAGE FAL ESTUARY and GREATWOOD QUAY**  
Each 2 Bedrooms, Garage, some with 2 Bathrooms, Main elec., mains water anticipated, oil c.h. by proposal. Setting of beautiful secluded grounds, tropical shrubs, in course of construction—anticipated price £35,000 no holding—no part. Finalised EARLY CONSIDERATION ADVISED.  
**RUTH JONES F.S.A.,** 8, Arwenack Street, FALMOUTH, Tel. (0326) 313444

**FOX & SONS**  
BUILDING LAND  
WANTS CLOSE, TEGHNAUGH  
Valuable parcel of 3.7 acres of Freehold Building Land. Outline Planning Permission for 29 Units in full developed area. Low Reserve.  
For Sale by Auction unless sold previously Friday July 28th 1978  
14 Wellington Street, Teignmouth Tel. 062671 4981

**BEUGRAVIA, S.W.1—Private Residence**  
Embassy, 21 Rooms, 9 Bathrooms, 12 en suites, 95 year lease, £250,000. No offers.  
Tel. 01-270 2910.  
**ISLE OF WIGHT.** Superb plot overlooking Stn. Coast. Outline plan, bungalow, 13 Casp. Court, West Ventnor. Offers over £4,750.  
J. Savage, 22, Huddleston Rd., Milford, Dorset. ECAP 48Y.

**NEAR MALAGA—V. Arty Plot** 38,000 sq. ft. Goodly estate in hills. Agent Mr. Boulton, Westbury 013731 82-2402.  
**N.W.1—Self contained furnished ground-floor flat** 1 bedroom, 2 living rooms, kitchen, bathroom, storage heating. To let for 1 year. Sult married couple. 01-455 8146.  
**AUCHINCLOSS, SCOTLAND** 12 minutes from famous Glenelg Golf Course—First two 4/5 not sold—best houses of small exclusive development near Glenelg. Price £200,000. Details from Fleming Limited, Building (Scotland) Ltd, 21, Auchincloss Road, Leith, Glasgow G6 5ET. Tel. 011-776 11812.  
**PHEASANT SHOOTING—NORFOLK** 4 Guns to let for 1978/79 season. 8 Days shooting (Pheasants & Sandpiper) Nov-Jan. Expected bag 200 Pheasants per day. Strick & Parker, 15 Hill Street, London W1X 8DL. Tel. 01-629 7282.  
**BIRMINGHAM—Superbly appointed Tudor** 5-1/2c Residence to be furnished two years to Company for Executive or similar. Low Rental. Write Geo. Fisher & Son, 30-26 High Street, Harborne, Birmingham B17 9NF.



## SPORT

## Putting for the Open

THE OPEN CHAMPIONSHIP is similar to the other three major events in that it is so much more a test of character than any of the week-by-week tournaments played on either side of the Atlantic. But when it is played at St. Andrews, I believe that putting becomes more of a factor on the huge double greens than in this department of the game when it is staged at the other links currently on the rota. So current form is well worth examining, when one is looking for a shortlist to provide a likely winner over the Old Course next week.

In 1970, for instance, few would have argued that the winner, Jack Nicklaus, after perhaps the most poignant of all finishes in the modern era, has been the best putter of this, if not all time. This statement might produce a storm of protest from those who can see no further than Bobby Locke or Bob Charles as the only two possible contenders for that title. But for me Nicklaus has holed more putts when he needs desperately to do so than anyone in my lifetime. Doug Sanders, Nicklaus's play-off victim at St. Andrews on that occasion, could never have been described as a classic striker of the ball with a swing so short that some was wiser to use it in a telephone booth without breaking the glass on either side.

South African Harold Henning, who finished tied for third place on that memorable occasion, alongside Lee Trevino, could arguably never have made a good living, had he not been such a fantastic putter. In all fairness, his swing was hardly a thing of beauty. Those who believe that major titles are lost rather than won would probably cite Trevino's performance that fateful Saturday as a case in point, as the overnight leader three-putted his way to despair and a score of 77, the worst round of any player in the top dozen.

The previous two St. Andrews winners, Peter Thompson (1955) and Locke (1957), were, like Nicklaus, capable of holing more putts when they were most needed than all of their contemporaries put together. When the immortal Sam Snead won there in 1946, he was not the tutored wreck on the greens who now, in his 67th

year, still swings the club like poetry. In motion, but putts badly sidwinder style, like the local blacksmith. Tied for second place in Snead's championship far from coincidentally was Locke, who could not manage a place in the top ten in the two years that followed, before he recorded his first victory at Sandwich in 1949.

So what is the current form? I have been fortunate to have witnessed from a television tower Andy Bean's three victories in the past five weeks in Charlotte, Memphis, and



Jack Nicklaus

## GOLF

BEN WRIGHT

Chicago. One could easily disparage the first two, in that they were recorded on dreadful golf courses that put a premium on length rather than finesse, as if they had been designed expressly with Bean in mind. But this charming, gentle giant won in Chicago at Butler National Golf Club on Monday, a course that is rated by many as the toughest in America. It is certainly the meanest, trickiest encountered on the professional tour. In between Memphis and the Western Open in Chicago, Bean finished only sixth in the U.S. Open on a Cherry Hills course whose par defied even the champion, Andy North, largely because Bean failed utterly to cope with either or both the waterstraw 17th and 18th holes every day.

Bean combines awesome power and the magical touch around the greens with which so many huge men are blessed. Some might consider him a risky bet because of his lack of international travel experience. But now that the 25-year-old has tamed a once explosive, destructive temper, Bean is as unflappable as anyone in world class, which he has certainly proved himself recently to be. Tom Watson finished alongside Bean in the U.S. Open and also tied for sixth place in defence of his Western Open title. While not quite at his best, that best is good enough to ensure a further worthy title

WIMBLEDON HAS a brand new and worthy women's champion. Against the odds, against the seedings and against a 2-4 deficit in the third set Martina Navratilova, the 21 year old Czech exile — "the girl from nowhere" — battled magnificently to defeat Chris Evert twice the previous winner of the title 2-6, 6-4, 7-5 in one hour 42 minutes.

She takes home to her Dallas residence the first prize of £17,500 but she takes with her too the knowledge that she now deservedly ranks with Miss Evert herself at the very pinnacle of the women's game. She had beaten the 23 year old American in another marvellous three-setter when they last met 13 days previously in the Colgate International final at Eastbourne but Miss Evert held an impressive 20-5 lead in their career records.

After serving badly and going through the first set in what she later described as "a kind of daze" Miss Navratilova pulled her game together and held her notorious temperament on a defence at St. Andrews. The only thing that disturbs me is Watson's new-found frailty, with short putts that were once a formality to him.

Trevino lost to a monstrous 40-foot putt at the first play-off hole in Memphis that Bean was intending only to "lag" close to the cup. He destroyed himself with a seven at the par four first hole in the final round of the U.S. Open, and finished joint twelfth. Trevino tied for third in his defence of the Canadian Open title, largely because he took six at the fourteenth hole and still finished only two strokes adrift of winner, Bruce Lietzke. Three more points in the merry Mexican's favour are that he has learned — expressly in a bid to win the U.S. Masters title that so far alone of the big four cludes him — to move the ball from right to left, which is much more essential at St. Andrews than at Augusta.

For once — oh! the heresy — I see Nicklaus as a place bet. But if he is to win, another major title, St. Andrews might inspire him. Hale Irwin, tied for fourth in both the U.S. and Western Opens, appears to be another good, each-way bet, as does Ray Floyd, seventh in our Colgate PGA, 12th in Denver, and fifth in Toronto. Gary Player is someone to whom form does not apply, since, in his case, it is all in the mind. My last two names are British, Brian Barnes and Nick Faldo, but more in forlorn hope than realistic conviction.

## A win against the odds

light rein. She also endeared herself to the crowd with her sporting gestures, once overruling a linesman who had called out her opponent's shot.

"It is very difficult to beat Chris twice in a row," she said afterwards. "But I believed in myself throughout the match. I was a notch better in the closing stages which is the only thing that matters. I was able to raise the level of my game. Chris got worse, she kind of faltered away."

Miss Navratilova's hopes of getting her hands on the golden silver which the women's champion traditionally thrusts aloft in triumph seemed remote in the first set, which she lost in 26 minutes as Miss Evert submitted her weaker backhand to unremitting pressure.

Miss Navratilova had broken through in the first game after an opening rally which went to 14 strokes, but the succeeding

exchanges were a good deal quicker and shorter as the American broke back at once and then captured the Czech girl's service again in the sixth game.

Once more in the second set

## TENNIS

JOHN BARRETT

Martina broke Evert's serve in the opening game only to be broken in turn. By now however she was getting more of her first serves into court and she coolly overcame that horrendous tennis rally, an air shot, when she leapt to put away a smash in the swirling wind.

Miss Evert was again broken and though she allowed no further liberties with her serve the rest of that set she could

not force the breakthrough she needed to get on terms, though she was stretching Martina with some devastating drop shots. The Czech had to save three break points to protect her 3-2 lead but when the girls had been in action for a shade over an hour it was set-all and once again everything to play for.

Maintaining the sequence Martina broke serve in the first game of that final set but did not have long to relish her lead. Miss Evert finally capitalised on her third break point to pull level at 2-2 by courtesy of two badly bungled Navratilova over-heads. Bigger disaster was to follow, but this time Miss Navratilova could not blame herself. She was broken by two stunning service returns and an uncatchable cross court backhand.

The true champions are those who can come back from such depths and Martina proved such

a champion, taking the next two games as Miss Evert's play began to lose its accuracy and zest. She came within a point of snatching a 5-4 lead before Miss Evert rallied but at that changeover Miss Evert buried her face in her towel for almost a minute contemplating the task facing her.

Seizing her chance Martina served out to love to make it 5-5, snatched the American's serve thanks to three forehand errors and another on the backhand and when she served for the match in the next game she was just as dominant, ending it with a firm backhand volley.

The new women's doubles are Australians Kerry Reid and Wendy Turnbull, who had not reached a Wimbledon final before. They recovered from a nervous start and survived two match points in the second-set tie-break, before winning 4-6, 9-8, 6-3 against Mima Jausovec (Yugoslavia) and her Romanian partner, Virginia Ruzici, who are holders of the German, Italian and French doubles titles.

## Racing around Britain

its half brother the single-handed Transatlantic Race, are now among the world's classics. But they are ocean races with a huge difference. Traditional ocean racing has in recent years become increasingly sterile. Boats are built to a formula called a rating rule. They all tend to be the same sort of shape, they all cost very large sums of money, and when they have finished their racing careers, they have as much second-hand value as an out-of-date Formula One racing car.

The joy of the Royal Western's races is that there are no rules. Almost every conceivable shape of boat known to man is entered. This particular race provides a special test all of its own. For up to a month, two people, including a few brave married

couples, will be facing the rigours of long distance racing in the confines of a small boat. In two of the three previous Round Britains, crews have

fallen out so badly that the skipper has put his crew ashore and continued on his own (thereby disqualifying himself). By the time the race reaches Barra, you can quickly see how well the crews are getting on. Those under strain split up and spend their 48 hours pointedly apart. Those getting on well dive into the nearest warm bar together.

The spirit of this race, and the wide variety of challenges it offers, attracts an enormous diversity of entrants, whose sole common characteristic is a love of sailing at sea. This year's entry includes a police sergeant from Exeter, Britain's Ambassador to Washington — "I'm doing it for spiritual and intellectual renewal," says Peter Jay — and a 23-year-old girl who has already crossed the Atlantic by American boat builder Vally Greene, to win from Jan of Santa Cruz, one of the little Newick-designed trimarans which did so well in the last Atlantic race.

Under 35 feet monohulls: A Capella designed and built by American boat builder Vally Greene, to win from Jan of Santa Cruz, one of the little Newick-designed trimarans which did so well in the last Atlantic race.

Under 35 feet monohulls: A close call between Fred Dovaston in Kurruwa and Beat Guetinger in Petit Suisse. Both skippers were among the crew of ADC Accutrac in the last race, owned by a retired

American newspaper publisher Phil Weld: Three Legs of Mann, a 53-ft trimaran owned by Nick Keig; and Great Britain IV another 53-ft trimaran sailed by Chay Blyth.

First monohull: Robin Knox-Johnston will be trying to manage the huge Great Britain II. Knox-Johnston has won the last two Round Britains and is the most experienced seaman in the race. But GB II is a vast bulk to manage and will not enjoy light weather.

Under 35 feet monohulls: A close call between Fred Dovaston in Kurruwa and Beat Guetinger in Petit Suisse. Both skippers were among the crew of ADC Accutrac in the last race, owned by a retired

As U.K. markets have already attracted funds worth about £9 million. This exceptional rate of growth has owed much to the considerable support Chieftain has received from stockbrokers and investment advisers.

The Trustee of Chieftain High Income Trust is Midland Bank Trust Company. The main duties of the Trustee are to hold the title to the Trust investments, and to check that all purchases made by the Trust are in accordance with the Trust deed; to ensure that the income is distributed to the unitholders properly; and to approve advertising and literature.

TAX ADVANTAGES

You can sell your units on any normal working day at the prevailing bid price. You will normally receive a cheque within seven working days of receipt of your renounced certificate.

The 1978 Finance Bill proposes that unit trusts will pay tax on capital gains at the privileged rate of only 10%.

When you sell units it is proposed that you will receive a tax credit of 10% against Capital Gains Tax. The Managers interpret this to mean that on unit trusts you should have no tax to pay on profits up to £3,000 on sales in any one year, and your maximum liability is limited to 20% of your gain. On sales before 5th April 1979 the tax credit will be even higher if the proposals become law.

CLOSING DATE

Until 14th July, units will be available at a fixed price of £2.8p each. Your application will not be acknowledged, but you will receive a certificate by 25th August 1978.

Fill in the coupon, or talk to your financial adviser without delay.

GENERAL INFORMATION

The offer will close if the underlying price of units should differ from the fixed price by more than 2 1/2%. After 14th July 1978 units will be available at the daily quoted price and yield published in most newspapers.

Chieftain High Income Units were first offered on 6th September 1976 at 25p each.

There is an initial management charge of 5% included in the price of units. There is also an annual charge of 3% (plus VAT) which has been allowed for in the quoted yield.

The Managers will pay the standard rates of commission to recognised professional advisers, who are invited to ring 01-263 3933 for further details of High Income and other Chieftain trusts.

Income is paid net of income tax, but this can be reclaimed by non-taxpayers.

Distributions and a report on the fund are made half-yearly on 31st May and 30th November. Units bought now first qualify for distribution on 30th November 1978. This offer is not applicable to Eire.

The Managers of the Trust are Chieftain Trust Managers Ltd., Chieftain House, 11 New Street, London EC2M 4TP. Telephone 01-263 2632.

The Directors of Chieftain Trust Managers Ltd. are: P. L. Potts, M.A. (Chairman); R. J. D. Eats, M.A., M.B.A.; J. D. Gillett, B.Sc.; I. H. A. Hazell, F.C.I.S.; A. L. F. K. Tod.

CHIEFTAIN TRUST MANAGERS LIMITED

APPLICATION FORM

Fill in the coupon and send it now to Chieftain Trust Managers Limited, Chieftain House, 11 New Street, London EC2M 4TP.

I/We would like to buy Chieftain High Income Units to the value of £ at £2.8p each. (Minimum initial holding £250)

I/We enclose a remittance, payable to Chieftain Trust Managers Limited.

Tick box:

☐ If you want maximum growth by automatic re-investment of net income.

☐ If you want to know how to buy Chieftain High Income Units on a regular monthly basis.

☐ If you would like details of our Share Exchange Plan.

SIGNATURES

(If there are joint applicants all must sign and attach names and addresses separately. Regd office as above. Regd No. 740115)

## CONTRACTS AND TENDERS

## Arab International Bank Cairo, Egypt.

## Invitation for Pre-qualification for General Contractors.

The A.I.B. Center is an Egyptian Public Law 43 Project created by Arab International Bank. The Project is located near the center of Cairo and consists of one 750-room hotel, one 20-story office building and two 32-story apartment buildings all interconnected by a 5-story mixed use building. The gross area is approximately 245,000 square meters of reinforced concrete construction.

The contractors who are qualified will be expected to submit a firm price tender for the structural elements, and general conditions for the entire project and submit a percentage fee for the acceptance of assignment by the owner of subcontractors for the entire project. Site excavation work and the installation of piling has commenced. Structural drawings and specifications are complete. The remainder of the construction documents will be completed by mid 1978.

Prospective general contractors pre-qualification tender must contain the following:

1. Certified year-end financial statement and a current applicable balance sheet.
2. A synopsis of personnel of the association including curricula vitae of the top officers.
3. Names, titles, experience in construction in general and experience in the Middle East of senior staff who are currently in your employ and who will be assigned to the project.
4. Number and titles of senior staff people who will be obtained from other sources and the sources thereof.
5. Company experience in the Middle East, if any, including specifically the number, type

and size of successfully completed projects and year completed.

6. Number of high rise buildings completed worldwide together with a brief description of at least four major buildings.
7. Number and description of projects of comparable size successfully completed and year completed.
8. List of clients for whom previous projects of similar size have been successfully completed with the name and title of representatives who can be contacted as references.
9. History of bonding relations on similar sized projects for the past 5-7 years.
10. Sources of construction materials and the number and types of equipment for the concrete structure.

Pre-qualification tenders will be received no later than July 15, 1978 by:

Arab International Bank  
Mr. W. B. Luster  
50 Gomoria Street  
Cairo, Egypt  
Phone: 935744  
Telex: 9-2079

Drawings may be reviewed at the following places:

Gerald D. Hines Interests  
2100 Post Oak Tower  
Houston, Texas 77055  
U.S.A.  
Phone: 713/821-8000  
Telex: 910/891-5468  
G.D. HINES HOU

Shidmore, Owings & Merrill/  
Al Nassar  
22 Hussein Rostom Street  
Dokki, Cairo, Egypt

## COMPANY NOTICE

## THE SCOTTISH AGRICULTURAL SECURITIES CORPORATION LIMITED

14% Debenture Stock, 1993  
Notice is hereby given that the REGISTERS of the CORPORATION'S shares, mentioned Debenture Stock will be CLOSED for TRANSFER and REGISTRATION from 18th to 31st July, 1978 both days inclusive.  
By Order of the Board,  
H. J. McTurk, Secretary.  
48 Palmerston Place,  
Edinburgh EH12 5BR.  
8th July, 1978.

## ART GALLERIES

## ROY MILES GALLERY

THE VICTORIAN IDEAL  
An Exhibition of Victorian Paintings  
Until 28th July  
16 Duke Street St. James's, London SW1  
Gallery Hours: Monday to Friday 10-6

## CLUBS

196 GOLDERS GREEN ROAD, NW11.  
64/68 CAMDEN HIGH ST., NW1.  
114 RYE LANE, PECKHAM.

Plus other Freehold Lease and block of flats at 8/10 Fregal Gardens, Hampstead, Avenue of Fflood Investments offering excellent capital growth. Auctioneers: July 17th 1978 at London Auction Mart.

HARMAN HEALY & CO.  
14, Roger St., W.C.1. 01-405 3581

## CHERTSEY-SURREY

HIGH YIELD LEASEHOLD SHOP INVESTMENT FOR SALE  
PRICE £25,000

EDWARD SYMONS & PERS.  
56-62 Wilton Road,  
London, S.W.1.  
Telephone: 01-834 8454

## CLASSIFIED

## ADVERTISEMENT

## RATES

	Per line	Single column cml.
Commercial & Industrial	4.50	14.00
Residential Property	2.00	5.00
Appointments	4.50	14.00
Business & Investment		
Opportunities, Corporation		
Loans, Production		
Capacity, Businesses		
For Sale/Wanted	5.50	18.00
Education, Motors		
Contracts & Tenders,		
Personal, Gardening	4.50	14.00
Hotels and Travel	2.75	10.00
Book Publications	5.00	15.00

Premium positions available (Minimum size 40 column cms)

£1.50 per single column cm (extra)

For further details contact:

Classified Advertisement

Manager,

Financial Times,

10, Cannon Street, EC4A 3DF.

## EDUCATIONAL

## WANT TO SPEAK FRENCH?

You can, through a unique 4-week programme on the RIVIERA. COMPLETE ALL-DAY IMMERSION ONLY IN FRENCH: daily 8.30-17.00 with 2.30 hrs. in small groups. Audio-visual classes. Language Lab. Practical sessions. Evening lessons. Excursions. Living in private apartment, hotel or family. Free tuition. For brochure, contact: Institut de Français FTG. Next available course starts August 28, September 25, 1978, and all year.

INSTITUT DE FRANCAIS FTG

23 Av. Gen. Leclerc, 06-Villefranche-sur-Mer - Tel: (93) 80.66.61

## INVESTMENT PROSPECTS

The funds of Chieftain High Income Trust are invested in high yielding stocks and shares. Our policy is that by far the greater part of the Trust's funds are invested in high yielding ordinary shares. Holdings of preference shares will not exceed 20%. More than this would, we believe, restrict opportunities for growth.

In order to minimise risk, the portfolio is spread over about 100 U.K. companies. Our investment managers

monitor the progress of these companies very carefully — as the Trust's performance to date clearly shows.

The financial situation of the country has improved considerably over the last two years. As North Sea oil has begun to make a positive contribution to the balance of payments, sterling has strengthened, company profits have improved, and inflation has been reduced to single figures.

Nevertheless share prices are still at historically low levels relative to company earnings.

However, Chieftain's managers believe that in the long term the wealth generated by North Sea oil will continue to play a considerable part in the recovery of the U.K.'s economy from what is still a very depressed level of activity.

This should provide ample scope for improvements in company profits and business confidence; and in turn this will allow further increases in the value of shares and of Chieftain High Income Units, and of the income they provide.

SHARE EXCHANGE SCHEME

If you wish to realise a part of your portfolio and invest in Chieftain High Income Trust, the Managers can arrange to sell your present shares for you, and will absorb all the usual expenses of the transaction. This can give you a worthwhile saving. The minimum purchase through the Share Exchange Plan is £500. Tick the box in the coupon for full details.

WHY A UNIT TRUST?

The problem associated with stocks and shares for the individual investor is, of course, that he rarely has enough capital to spread his risk, and sufficient information to choose with confidence. This is particularly true for those seeking a high income.

But the beauty of a unit trust is that through it you invest in a wide portfolio of stocks and shares, which is managed for you by full-time professionals.

Your financial adviser will be able to answer any questions you may have about the merits of unit trust investment.







## HOW TO SPEND IT

## On the tote

ANYBODY who knows me well, knows that I'm not often to be seen unencumbered with a plastic carrier bag, more or less squallid depending upon how long I've had it. Traveling to and from anywhere I am always afflicted with a fear that I may be stuck without something to read (this seems to run in the family and we all go on holiday with about two garments and 20 books apiece) and so I go about with mounds of reading matter, letters to be answered, bills to be paid and all the other paraphernalia from which I seem unable to separate myself.

I have observed that the problem is not uncommon. The streets are all awash with plastic-bag carrying women (the odd man so encumbered looks distinctly out of place) and though occasionally the objects to be carried really need a plastic bag (for example, wet fish, soggy lunches, etc.), usually a big carry-all of some fabric or natural material like

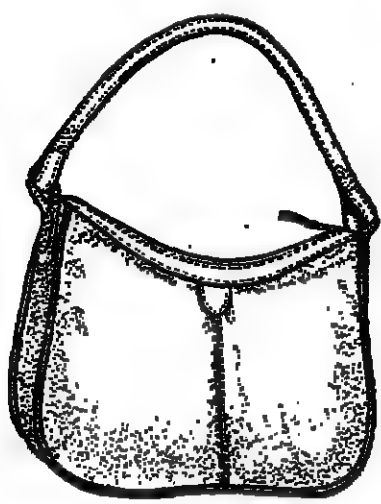
leather would look not only much more chic but would be sturdier as well.

So this week I've been looking at the sort of carry-all which might solve the problem but would look a lot more attractive in the process. We have discovered some really beautiful bags at prices starting at about £7.95 (if anybody is reluctant to pay that, then I suggest one of those finely-made baskets from the East which are very pretty indeed) and going up to luxurious leather models at £53.00.

I haven't quite decided which model to buy for myself, but almost all of them solve the practical side of the dilemma—the amount I'm willing to pay will in the end be the crucial factor. Besides solving my own problem, most of these bags would be the perfect traveling accompaniment—most of them would hold all those essentials, like toothbrush, toiletries, paperback, change of underwear, from which I now refuse to be parted lest my luggage fails to follow the same route as I do.



Very luxurious, very chic holdall, described as a "parachute" bag and made from softest aniline cowhide. I liked it best in donkey brown (this is the most practical colour since the essence of these bags is that they should travel well), but it's also available in tan, chestnut or honey. It can be worn in the way it is drawn but to allow more space the two sides unback to let the sides down and form a large square bag. It is 17 inches wide, 18 inches high and 14 inches deep. It costs £53 (50p p+p) and is made by Mulberry Bags. Find it in The Mulberry Shop (in the basement of Jap) of 14 South Molton Street, London W1.



Lovely, soft, pale boat-shaped leather bag, lined with corduroy. It only comes in pale beige, so this bag would require slightly more care when in use than some of the others. It is very capacious: you could fit masses of paperbacks, newspapers, cheque-books and even a sponge-bag for an overnight stay inside it as well. It measures 17 inches at its widest point but is also quite deep: 11 inches deep at the narrowest point. It seems to me exceptional value at £28.50 (80p p+p) as for your money you do get an awful lot of leather and it looks so good. Available from Harvey Nichols, Knightsbridge, London SW1.



This is perhaps the least capacious of all the bags we saw, but it does have a lovely, smart summery look to it, since it is made of cheerful red straw (though you could also buy it in black or rust). Trimmed with fabric, it has three different compartments and measures 18 inches across, 14 inches deep, £10.50 (55p p+p) from Harrods, of Knightsbridge, London W1.



This barrel-shaped Italian bag has a slightly different character from all the others: it is made from floral printed canvas so it looks feminine and summery. The print, in apricot/pink/green on cream, is ravishingly pretty. It, too, could double as an overnight bag. It measures 18 inches wide, 13 inches high and 9 1/2 inches from front to back. The canvas is trimmed with light tan leather. £38.50 (80p p+p) from Harvey Nichols of Knightsbridge.



Another hugely spacious bag. This has a rather young and informal air about it, an atmosphere of casual elegance that I particularly like. It would be a wonderful present for a young girl who has to travel a lot and certainly has more than enough space for a week-end away—some might even be able to use it for a week away. In cream pure cotton canvas, it is made exactly like a rucksack, except that it is much more finely finished. It has shoulder straps which can be used or detached at will. Without the shoulder straps you carry it by its handle. Besides cream, it comes in khaki, beige and denim/sky blue. £42.95 (80p p+p), from Harvey Nichols of Knightsbridge.

Designs by Jan Wheeler.



Mulberry Bags, you may have noticed, is one of the most up-to-date of modern baggage companies. It was one of the first to provide those lovely quilted satchel bags and it came up with some of the most desirable carry-alls. Mulberry Bags describes this bag as a "drop" bag and it is made of natural herringbone canvas trimmed with tan saddle leather. There is an optional shoulder strap, which is detachable. It is very capacious—more than large enough to cope with an overnight stay anywhere. To give you some idea of size, it is 18 inches deep by 19 inches wide. A good selection of Mulberry bags can be found at Marcus Price of Newcastle, Lucinda Byre of Liverpool, Penny Lee of Wilmsham and Jigsaw of Grimsby. In London, this carry-all can be found at Henry's of 185 Brompton Road, SW3, and 149 New Bond Street, W1. It costs £49.95.



This is one of the most capacious and most striking of all the large bags we saw and it is also the least expensive. It can be bought in a crochet cotton as well (plains colours, like black, cream, brown, red or maroon for £7.95, 50p p+p). The bag in our photograph is made from a very striking quilted Eastern-style cotton print—it is particularly nice in rust, black and beige, but it also comes in reddish-blue prints. The handles are made of cane and the bag costs £8.95 (50p p+p). It can be bought from all branches of Monsoon—there are branches at 53 Beauchamp Place, London SW3 (the address for orders by mail) as well as Fulham Road, South Molton Street, Thackeray Street, Kensington Square W8, Hampstead, Kensington Church Street, Oxford, Guildford and Salisbury. Clothes from the Wallis Autumn Collection. In the shops in August.

Photos by Trevor Huxford.

by Lucia van der Post

## Remember, remember

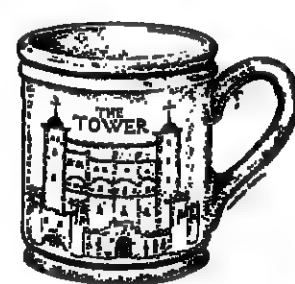
SOUVENIRS have long been the bane of most shoppers' lives. Trying to find something that combines being a happy reminder of places visited, with a degree of charm, usefulness and a sense of value for money seems an almost impossible task. The National Trust has done a great deal in this direction in

that there seems to be some firm guiding hand behind all it does, and almost everything on sale at National Trust properties really does seem appropriate, useful and fairly priced.

The Design Centre has done a lot to improve the standard by its (almost) annual exhibition devoted to the best of souvenirs—it started several years ago with a small selection but the exhibition has become bigger and better with time. This year there will not be an exhibition as so much was done last year for the Jubilee. For those who want to find some attractive small presents to remind foreign friends and visitors of Britain, here are just a few of some of the best I could find.

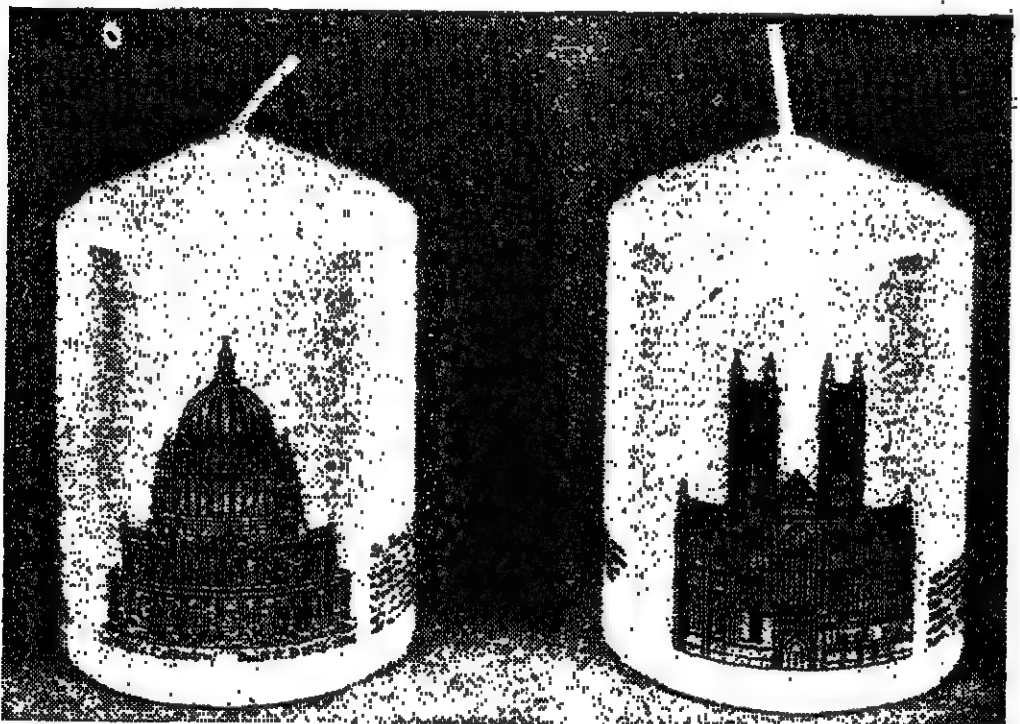


ABOVE: Rosecradde Pottery in Liskeard, Cornwall, has produced a simple, inexpensive, very traditional-looking butterdish which seems to me to make an excellent souvenir. The simple round clay-coloured pots have glazed linings; the lids are just of clay. There is a range of traditional butter-mould patterns on the lids—thistle, wheat sheaf and so on—and the butterdishes come in three sizes, just over two inches, just over three inches, and nearly four inches in diameter. The smallest size is £1.30 (p+p 35p), the middle £1.50 (p+p 50p) and the largest is £1.80 (80p p+p). All from Peter Knight of Esher, Surrey, or Beaconsfield, Bucks (that is the address).



BOTTOM: These candles are some of the most attractive I've ever seen. The candles themselves are made from high-quality paraffin wax, smoke-free and with a wick you don't have to trim, and they are embellished with very fine black and white drawings of historical buildings, together with a small summings-up of the building's history. The boxes are white and, for easy identification, carry a black and white line drawing of the building featured on the candle. The buildings to choose from are St. Paul's, Tower Bridge, Tower of London or the Houses of Parliament. Each candle has about 30 hours of burning time and is 4 inches high, £2.50 each (p+p 48p) from Peter Knight of Esher, Surrey, or Beaconsfield, Bucks.

ABOVE: Although this year happens to be the 900th anniversary of the Tower of London, this mug which features the tower, would make a splendid present for a child or foreign visitor at any time. Just one of Denby Tableware's series of stoneware mugs featuring historic buildings (the others show Hampton Court, St. Paul's Cathedral and Horse Guards). The buildings are illustrated in pen and ink and each mug costs £2.45 from major department stores and china shops, including Lawleys of Regent Street.



## Fabric fever

LAST week I pointed out that for those who need some holiday clothes to wear in a Mediterranean hotspot, the current summer weather in Britain doesn't warrant much of an outlay as the chances of wearing any of it back home seem rather thin. For those who can sew, much the best way to get together a holiday wardrobe is to take advantage of the summer sales and the marvellous bargains that are offered, particularly in the fabric field. Look for the Easy Sew patterns if you're not inclined to spend much time over the sewing, and you'll be amazed at how little time they take, and how little skill beyond the basic one of sewing a straightish seam—now that the loose-fitting look is in, clothes no longer have to fit the way they once did.

Here are some of the best bargains in fabric that are on offer in London. Your own local stores are bound to offer fine selections, too. John Lewis, Oxford Street (which you may be interested to know was started in 1864 by a Mr. John Lewis as a shop selling fabrics and haberdashery) has the biggest fabric department in Europe. Their fabric sales are always first stoppings-off points for home sewing enthusiasts. Their sale begins on July 13 and among the materials to look out for is printed floral cotton (90 cms wide) at 60p per metre, polycotton lawn (112 cms wide) at 79p, cotton lawn, floral and geometric (90 cms wide) at 80p and printed polycotton voile (112 cms wide) at 99p per metre. The rest of the stores in the John Lewis group start their sales the same week and you should enquire at your nearest

store for similar bargains.

Liberty of Regent Street started its sale on July 6 and they are a mecca for lovers of Liberty lawn. Tana Lawn, normally £3.15 a metre, is down to £1.90, whilst Country Cotton (very nice, too, but a slightly heavier weight) is down from £2.25 to £1.20 a metre. A large selection of dress lengths will also be on sale at less than half price—for instance 4 metre lengths will be £8.00 instead of £12.00, 21 metre lengths will be £17.50 instead of £27.50. Liberty print silk will be £2.50 a metre, whilst perfect crepe de chine is at £4.50. Crepe de chine is an exceptionally lovely and luxurious material and Liberty's will have some printed silk crepe de chine normally £12.50 a yard, reduced from £12.50 to £5.50, reduced to £2.50 a metre. Look out, too, for Varuna wool down to £5.00 a metre, wool down to £5.00 a metre.

Fine Dress Fabrics, 87 Baker Street, London W1 specialises in wool and cotton fabrics from Switzerland which the owner buys in bulk and is able to sell at remarkably low prices—light weight wool is from £4.25 a yard until 6 pm. There's also pure silk lawn (54 ins wide), which is £3.50 a yard (54 ins wide) which elsewhere would be about £10 a yard. One of the best bargains of all is their pure lightweight printed wool, 36 ins and 45 ins wide, down to £1.50 a yard (normally about £8 a yard). On Saturdays Jacob Gordon is open until 6 pm.

They also have fine Swiss cotton voile which is £3.50 a yard (54 ins wide) which elsewhere would be about £10 a yard.

Jacob Gordon, 19 South Molton Street, W1 is a small shop crammed with rolls of fabric at bargain prices. They specialise in fashion houses and the tweeds, cottons, silks, synthetics and men's suiting fabrics are all well below retail prices. The sale is on now and will continue until about mid-July. Their existing fabric bargains are selling at even lower prices. Some examples are: 36 ins pure Swiss cotton Voile prints for £2 a yard (26 before), 36 inch pure silks now £3 (£8 before), 54 ins wide, 100% pure silk lawn (54 ins wide), which is £3.50 a yard (54 ins wide) which elsewhere would be about £10 a yard. One of the best bargains of all is their pure lightweight printed wool, 36 ins and 45 ins wide, down to £1.50 a yard (normally about £8 a yard). On Saturdays Jacob Gordon is open until 6 pm.

## Cooking with Philippa Lavenport

JULY brings plenty of peas, beans, peppers, courgettes, tomatoes and other salad vegetables. It is also the peak of the soft-fruit season (and we were told to expect bumper crops this year), so it should prove a busy time for those who like to make their own jams or to bottle or freeze summer fruits for winter eating.

## FRICASSE DE VEAU

I have Elizabeth David's opinion that blanquette de veau can be an anemic and disappointing dish. But this is possible using the traditional boiling method. Moreover, using only one cooking pot makes this method simpler and minimises washing up.

For six people you need 2 lbs boned weight of lean shoulder, leg or pie veal cut into large cubes. Melt 2 ozs butter in a flame-proof casserole over low heat. Add the meat and turn until well coated with butter — the veal should just lose its pink colour but it should not be browned.

Lift out the veal and add vegetables to the casserole. 1 lb celery cut into big chunks, 1 lb

carrots very thinly sliced, and 18 whole peeled shallots. (In early summer when shallots are not available I have successfully used the bulbous fat heads of salad onions instead.)

When the vegetables have softened a little, stir in about five tablespoons flour, blend in a scant 1 pint well flavoured and gelatinous chicken or veal stock and a good two tablespoons of lemon juice.

Cook, stirring continuously, until simmering point is reached. Return the meat to the dish, add a generous seasoning of salt and pepper; cover and cook at the gentlest simmer for about 50 minutes. This can be done on top of the

## SUGGESTED MENUS

Curried eggs with salad  
cress and black olives  
Fricassee de veau  
Raspberry brûlée

Mozzarella, tomato and basil salad  
Cucumber pork  
Roigrod

stove or in a low oven—about 300 degrees F gas mark 2—whichever is most convenient. Then stir in 1 lb button mushrooms and 1 lb broad beans (shelled weights). Bring back to simmering point, cover again and continue cooking for 30 minutes or until the ingredients are quite tender. Carefully blend in a liaison made with two egg yolks and 3-4 fluid ounces thick cream. Check seasoning and turn on to a warm serving dish. Garnish with plenty of coarsely-chopped parsley and triangles of fried bread.

ROIGROD This classic Scandinavian pudding has the fruitiest of

fruit flavours. It is very quickly made and a blessing for those who love redcurrants and raspberries but can't stand the pips.

To serve four-six, put 1 lb redcurrants and 1 lb raspberries (or 1 lb of each fruit if you prefer) into a pan with about six tablespoons cold water. Cook over gentle heat until mushy then rub through a sieve. Measure the juice and return all but two tablespoons to the cleaned out pan.

Add six-eight oz caster sugar to the pan, stir over gentle heat until dissolved; then bring to the boil. Blend arrowroot with the reserved juice allowing one teaspoon arrowroot for every seven fl oz of measured juice. Gradually stir the arrowroot into the pan; bring back to the boil and simmer for one-two minutes until clear. Pour into individual small bowls, cool, cover and chill very thoroughly. Top with softly whipped cream just before serving and accompany with tulle or other small biscuits.

## SWISS FABRIC SALE

FINE DRESS FABRICS

87 Baker Street, W1.  
01 935 5876







## ARTS/LEISURE

## Enlightened selves

Anyone who feels, as I do, that we suffer nowadays from a glut of autobiography, that self-exposure has added a new terror to living, and that confession is the curse of the publishing class, must have mixed feelings about the man who triggered the torrent 200 years ago, Jean-Jacques Rousseau. Radio has been contentiously celebrating the bicentenary of his death in a couple of admirably informative programmes this week. Rousseau was the writer who finally scotched the idea that the self was hateful; Freud merely added a few pedantic footnotes.

Rousseau was over 50 when he published his *Confessions*, claiming that although he was no better than other people at least he was different. But was he? When we read the book we feel that we are his brother, his twin almost; he seems somehow to articulate with miraculous ease our weaknesses, our shynesses, our failures to seize opportunities when they occur, our one-time innocence, our

eighting by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting. *Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

## RADIO

ANTHONY CURTIS

punctuated by snatches of Rousseau's music. For many years he earned his living as a music copyist and although with the exception of one opera, *Le Devin du village*, his music has been forgotten it sounded pleasant enough. During one of his periods of disaffection in Paris he spent a year in England at the invitation of his friend and admirer Hume. Eventually they quarrelled but it was here that he planned the *Confessions* "an enterprise without precedent. I feel that we are his brother, his twin almost; he seems somehow to articulate with miraculous ease our weaknesses, our shynesses, our failures to seize opportunities when they occur, our one-time innocence, our

eighting by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting. *Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

*Voltaire and Rousseau: Men of the Enlightenment*. This included contributions from the big academic names in French studies, Cobb, Johnson, Hampson, Weighman, attempting to put the two giants into some sort of contemporary perspective.

Richard Cobb had some animadversions on Rousseau's notion of the general will, seeing it as the source of modern totalitarianism; anyone who does not conform to the general will is an unpardonable may be sent to a psychiatric hospital or otherwise disposed of.

For Cobb it is the Voltairian legacy of questioning the general will and the powers of institutions that is our main residual benefit of the French enlightenment.

John Weighman pointed out how "the flight from social complexity to would-be pastoral simplicity" which is the drive behind so many popular movements today derives directly from Rousseau. It is Jean-Jacques who is the patron saint of ecology, conservation, flower-power, survival kits, friends of the earth, and other advocates of a return to Nature.

Some of these groups represent powerful forces both in this country and in the United States. How they operate and make their voices heard was the subject of *Over Here, Over There*, a promising new weekly transatlantic series on Wednesday mornings (Radio 4, July 8), conducted by Bill Brockton in London and Pat Rowe in New York. Prominent protesters of both nations were interviewed and exchanged views across the wires. Apparently the best way to stop a motorway being built through your village is to go to the meetings in a suit, not jeans and an anorak.

Rousseau died in the summer of 1778 at almost the same time as Voltaire. We have already heard one excellent programme about Voltaire by Maurice Cranston in May but on Saturday we had the two great rivals considered together by John Pickford in a programme originally broadcast in the World Service and well worth rebroadcasting.

## TV RATINGS

W/E July 2

UK TOP 20: Viewers (m)	
1. Life Begins at Forty (York)	14.19
2. News at Ten (West)	13.28
3. Winner Takes All (York)	13.20
4. Coronation Street (Wed.) (Gran.)	13.08
5. Crossroads (Thurs.) (ATV)	12.95
6. Coronation Street (Mon.) (Gran.)	12.45
7. Charlie's Angels (ATV)	12.33
8. Emmerdale Farm (Thurs.)	12.33
9. The Dark Secret of Harrowden (ATV)	12.10
10. Whodunnit? (Thurs.)	12.08
11. Crossroads (Tues.) (ATV)	12.00
12. Crossroads (Fri.) (ATV)	11.90
13. Relatively Secure (Thurs.)	11.74
14. Crossroads (Wed.) (ATV)	11.60
15. That's Life (BBC)	11.50

16. Emmerdale Farm (Thurs.)	11.46
17. The Pink Panther (Wed.)	11.45
18. Whodunnit? (Thurs.)	11.45
19. Don't Ask Me (York)	11.30
20. The Only Game in Town (York)	11.16
21. Norman Mac (BBC)	10.65
22. Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR)	
U.S. TOP TEN (Midweek Ratings)	
1. Law Grant (CBS)	25.3
2. One Day at a Time (Hanna)	25.3
3. CBS (CBS)	25.3
4. M.A.S.H. (comedy) (CBS)	25.2
5. Three's Company (comedy) (ABC)	25.2
6. Alice (drama) (CBS)	25.2
7. All in the Family (comedy) (CBS)	25.2
8. Charlie's Angels (comedy) (ABC)	25.2
9. Career Country (comedy) (ABC)	25.2
10. Switch (drama) (CBS)	25.2
11. Lawrence & Shirley (comedy) (ABC)	25.2
12. A Notice Rating is not a numerical total.	



Montserrat Caballe and Grace Bumbry

## Norma at Covent Garden

More in sorrow than in anger it has to be recorded that the high-price Norma at Covent Garden on Thursday was a feeble business, redeemed only by Grace Bumbry's Adalgisa and, to some extent, by the conducting of Jesus Lopez-Cobos. The tremendous title-role is a magnet for ambitious prima-donnas, but only one or two in a generation succeed. How many Normas since the opera stole back into circulation in the 'twenties will go down in history, apart from Ponselle and Callas? Matbrun, the younger sister Pauline Viardot-Garcia died, at the age of nearly ninety, with the word "Norma" on her lips, still unable to reconcile herself to the fact that she, one of the most renowned of 19th-century singers, had not completely vanquished the role.

The present incumbent is Montserrat Caballe, no stranger to the part but on this occasion in poor voice. One or two of her fabulous soft high notes, occasional majestic phrase or expressive piece of shading could not obscure the fact that most of Miss Caballe's singing was strained, uneven in tonal quality and sadly unreliable in intonation. Given vocalism of the kind

of which we know she is capable, her impersonation of the Druid High Priestess who has a secret liaison with a Roman Pro-Consul and loses him to a younger rival would conceivably pass muster. As it was, the stately motions of the minor roles of Clotilde and Flavio, for what they are worth, were well taken by Elizabeth Bainbridge and Robin Leggate. Up till recently one could have counted on strong support from the Covent Garden chorus, but their war-cries were almost as dim as their greeting to the rising moon.

The orchestral playing on the other hand was lively and full-toned. Mr. Lopez-Cobos did not always wait for the diva but he kept the music moving and bound it firmly. The production of Charles Hamilton is not one of this house's major achievements. The Roman security forces with their tinny spears and furtive movements just about sum up what many people still find ridiculous in grand opera. At least nobody audibly disapproved Charles Craig, Pedro

Lavigne appeared as Pollione, the intruding Roman. Though he sang with determination and vigorous phrasing the voice, naturally rough in timbre, lost power as the evening went on.

David Ward made Norma's father, the Archduke Orphee, such a nice, handsome old fellow that one almost forgot that his two scenes go better with a firm basso cantante than with the woolly tone we heard. The minor roles of Clotilde and Flavio, for what they are worth, were well taken by Elizabeth Bainbridge and Robin Leggate. Up till recently one could have counted on strong support from the Covent Garden chorus, but their war-cries were almost as dim as their greeting to the rising moon.

The orchestral playing on the other hand was lively and full-toned. Mr. Lopez-Cobos did not always wait for the diva but he kept the music moving and bound it firmly. The production of Charles Hamilton is not one of this house's major achievements. The Roman security forces with their tinny spears and furtive movements just about sum up what many people still find ridiculous in grand opera. At least nobody audibly disapproved Charles Craig, Pedro

Lavigne appeared as Pollione, the intruding Roman. Though he sang with determination and vigorous phrasing the voice, naturally rough in timbre, lost power as the evening went on.

David Ward made Norma's father, the Archduke Orphee, such a nice, handsome old fellow that one almost forgot that his two scenes go better with a firm basso cantante than with the woolly tone we heard. The minor roles of Clotilde and Flavio, for what they are worth, were well taken by Elizabeth Bainbridge and Robin Leggate. Up till recently one could have counted on strong support from the Covent Garden chorus, but their war-cries were almost as dim as their greeting to the rising moon.

The orchestral playing on the other hand was lively and full-toned. Mr. Lopez-Cobos did not always wait for the diva but he kept the music moving and bound it firmly. The production of Charles Hamilton is not one of this house's major achievements. The Roman security forces with their tinny spears and furtive movements just about sum up what many people still find ridiculous in grand opera. At least nobody audibly disapproved Charles Craig, Pedro

Lavigne appeared as Pollione, the intruding Roman. Though he sang with determination and vigorous phrasing the voice, naturally rough in timbre, lost power as the evening went on.

David Ward made Norma's father, the Archduke Orphee, such a nice, handsome old fellow that one almost forgot that his two scenes go better with a firm basso cantante than with the woolly tone we heard. The minor roles of Clotilde and Flavio, for what they are worth, were well taken by Elizabeth Bainbridge and Robin Leggate. Up till recently one could have counted on strong support from the Covent Garden chorus, but their war-cries were almost as dim as their greeting to the rising moon.

The orchestral playing on the other hand was lively and full-toned. Mr. Lopez-Cobos did not always wait for the diva but he kept the music moving and bound it firmly. The production of Charles Hamilton is not one of this house's major achievements. The Roman security forces with their tinny spears and furtive movements just about sum up what many people still find ridiculous in grand opera. At least nobody audibly disapproved Charles Craig, Pedro

Lavigne appeared as Pollione, the intruding Roman. Though he sang with determination and vigorous phrasing the voice, naturally rough in timbre, lost power as the evening went on.

David Ward made Norma's father, the Archduke Orphee, such a nice, handsome old fellow that one almost forgot that his two scenes go better with a firm basso cantante than with the woolly tone we heard. The minor roles of Clotilde and Flavio, for what they are worth, were well taken by Elizabeth Bainbridge and Robin Leggate. Up till recently one could have counted on strong support from the Covent Garden chorus, but their war-cries were almost as dim as their greeting to the rising moon.

The orchestral playing on the other hand was lively and full-toned. Mr. Lopez-Cobos did not always wait for the diva but he kept the music moving and bound it firmly. The production of Charles Hamilton is not one of this house's major achievements. The Roman security forces with their tinny spears and furtive movements just about sum up what many people still find ridiculous in grand opera. At least nobody audibly disapproved Charles Craig, Pedro

Lavigne appeared as Pollione, the intruding Roman. Though he sang with determination and vigorous phrasing the voice, naturally rough in timbre, lost power as the evening went on.

David Ward made Norma's father, the Archduke Orphee, such a nice, handsome old fellow that one almost forgot that his two scenes go better with a firm basso cantante than with the woolly tone we heard. The minor roles of Clotilde and Flavio, for what they are worth, were well taken by Elizabeth Bainbridge and Robin Leggate. Up till recently one could have counted on strong support from the Covent Garden chorus, but their war-cries were almost as dim as their greeting to the rising moon.

The orchestral playing on the other hand was lively and full-toned. Mr. Lopez-Cobos did not always wait for the diva but he kept the music moving and bound it firmly. The production of Charles Hamilton is not one of this house's major achievements. The Roman security forces with their tinny spears and furtive movements just about sum up what many people still find ridiculous in grand opera. At least nobody audibly disapproved Charles Craig, Pedro

Lavigne appeared as Pollione, the intruding Roman. Though he sang with determination and vigorous phrasing the voice, naturally rough in timbre, lost power as the evening went on.

David Ward made Norma's father, the Archduke Orphee, such a nice, handsome old fellow that one almost forgot that his two scenes go better with a firm basso cantante than with the woolly tone we heard. The minor roles of Clotilde and Flavio, for what they are worth, were well taken by Elizabeth Bainbridge and Robin Leggate. Up till recently one could have counted on strong support from the Covent Garden chorus, but their war-cries were almost as dim as their greeting to the rising moon.

The orchestral playing on the other hand was lively and full-toned. Mr. Lopez-Cobos did not always wait for the diva but he kept the music moving and bound it firmly. The production of Charles Hamilton is not one of this house's major achievements. The Roman security forces with their tinny spears and furtive movements just about sum up what many people still find ridiculous in grand opera. At



# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY  
Telegrams: Finantime, London PS4. Tel.: 336241/2, 333897  
Telephone: 01-248 8000

Saturday July 8 1978

## Stabilising currencies

YESTERDAY'S agreement by the heads of government meeting in Bremen, to launch an intensive study of ways of stabilising currencies in Europe, marks a major effort to improve economic relations between the members of the European Community. No trading country in the world has much reason to be satisfied with the currency fluctuations which have resulted from the disintegration of the Bretton Woods system, and the disadvantages of floating are especially sharp for countries which do a very high proportion of their trade with each other. If the governments can set up a currency stabilisation scheme which not merely takes account of the fact that some of the national economies are weak and others are strong, but also helps to bring about a convergence between them, they will have taken a major step forward.

### Principle

Indeed, it is possible that the heads of government would have taken a decision of principle to set up a new scheme, had it not been for the reservations of Mr. James Callaghan, the British Prime Minister. A number of important elements have been laid down in the study brief which now goes to the Finance Ministers and the EEC Monetary Committee, so that while a great deal of work still needs to be done on the details, as well as a great deal of bargaining on methods of re-assuring and strengthening the weaker countries, it is already clear that the question is not one of principle whether there should be a new currency stabilisation scheme, but how it can be made to work.

Mr. Callaghan's foot-dragging is widely attributed to his desire not to offend that substantial proportion of the Labour Party which is hostile to the European Community, and especially to anything which smacks of a diminution of national sovereignty. Since opinion polls also show that the Common Market is pretty unpopular with the British public, he is assumed to be particularly anxious not to be seen to be committed to any currency arrangement ahead of this autumn's expected general election.

But while it must be obvious that party political considerations have played some part in his thinking on this issue, it is not clear how far the natural chauvinism of the left wing of the Labour Party is supported by the professional advice Mr. Callaghan is receiving from the Treasury and the Bank of England. On objective grounds, the British government has ample reason for caution. The UK economy is structurally weak, with more than its share of old-fashioned or declining industries, and its inflation rate remains, despite the striking improvement over the past couple of years, considerably and stubbornly higher than that in West Germany. If a new currency scheme is to work durably, without the constant danger that the weaker currencies will be forced to drop out, ways must be found of strengthening the weak economies, and of bringing about a convergence of European inflation rates, by methods which are politically and socially acceptable.

It would be a great pity, however, if reasonable doubts and anxieties were to be used by British negotiators as a cloak for the instinctive scepticism about a Community approach which has sometimes seemed to form attitudes in some Whitehall departments. For one thing, there is no reason to suppose that the UK does or will benefit from floating rates: for another, the choice may well be between joining in and staying out, and staying out may well be less satisfactory than joining in—if the terms are right.

Moreover, it is evident that the Community governments are giving much greater weight to the problem of economic divergence than they did when the community snake was first formed, of which only a Deutschemark zone is now left. The German argument, that greater currency stability would be itself prove economically helpful to all, needs to be taken seriously.

**Pooling**  
The brief for the Finance Ministers specifically instructs them to look at ways of helping the weaker economies, and it is worth remembering that in this category come not merely Britain and Italy, but also to some extent France. All of them were forced out of the snake, and all have powerful reasons for wanting to ensure that this time the arrangements will make due provision for the problem of economic divergence.

The seriousness with which this problem is being considered is indicated in part by the proposal that the participating central banks should within two years pool one-fifth of their gold and dollar reserves. But the principle of reserve pooling is more important than the precise amount of money which is pooled. For it would imply that the participating governments have recognised that they must take a major step in treating their national economic problems as common problems.

**Exchange**  
From the Sales Director, Sir James Farmer Norton and Co. Sir, With reference to your article on energy saving in the textile industry, on June 14, as one of the manufacturers of a heat exchange unit (in fact, the very one on which The Shirley Institute carried out the tests mentioned in your article), we have been pursuing through the Department of Industry the allocation of grants under the new energy conservation scheme announced in the House of Commons the day before your article was published.

You can imagine our consternation on learning from the Department of Industry that the application of a heat exchanger on to effluent water does not

qualify for inclusion under the grant scheme since, although waste heat is recovered, the waste heat is not returned through the boiler system. This appears to us a totally illogical, arbitrary and nonsensical distinction, since whether the heat is saved in the boiler by using less fuel to generate steam or outside the boiler by reducing the steam requirement on a piece of equipment, it does not alter the fact that energy is being conserved. We feel it is an invidious discrimination that the purchaser of a feed water economiser should be eligible for a grant when the purchaser of a waste heat unit should not be.

While one is aware that civil servants are anxious not to throw money away, we do feel on this occasion their parsimony is being carried a little too far. A. I. Stirling, Adelphi Iron Works, Salford, Manchester.

**Interest**  
From Mr. S. Penwell. Sir—There is a suggestion that interest should become statutorily payable on accounts not paid within one month, or such period as may be prescribed from the date of invoice for goods or services.

This can be a double-edged weapon as it might encourage customers, who could not otherwise obtain finance, having exhausted bank and other facilities, to look upon their suppliers as a source of working capital, albeit at a rate of interest higher than that chargeable in ordinary banking or commercial circles. S. W. Penwell, 138, Fendurch Street, EC3.

**Superpowers**  
From Elizabeth Young. Sir—In your leading article "Arms Control edges ahead" (July 3) you suggest that China is "lagging behind" the United States, the United Kingdom and the Soviet Union in clarifying its intentions over the use of nuclear weapons. This is not so: the others are—only slowly—following China's lead. Every Chinese nuclear test explosion has been followed by an unconditional Government statement that China would never use



Union leaders at the centre of the pay policy debate (left to right): Mr. Terry Duffy of the Engineers, Mr. Joe Gormley of the Mineworkers, TGWU general secretary Mr. Moss Evans and Mr. David Bassett of the Municipal Workers.

## Callaghan's Phase Four gamble

BY CHRISTIAN TYLER, Labour Editor

THE DIALOGUE between the trade unions and the Labour Government has become curiously static and obscure. As the political temperature rises with the approach of what everyone now assumes will be an autumn election, so the language of the TUC-Labour Party alliance—especially about the future of pay bargaining—has taken refuge in secrecy and ambiguity.

It is only outside Congress House, at places like the miners' delegate conference this week, that the debate can really be heard. What the miners decide matters. For the critics of free collective bargaining they stand as proof of why the system is neither just nor tenable and for the critics of union power the miners' strikes of 1972 and 1974 are still fresh and potent.

When the miners this week decided to lodge a claim for a new top basic wage of £110 a week—a 40 per cent increase—and to fight "the extension of the social contract into Phase Four," they were not playing with words. Their message to the Government is quite plain: "We will support you this time as before, but we warn you that you may lose the election if you seek to deprive us and others of our main role: to negotiate freely for our members."

### Trade union moderates

Mr. Joe Gormley, president of the National Union of Mineworkers, is by any reckoning a trade union moderate. As it happens, he does not believe in incomes policies although his general secretary, Mr. Lawrence Daly, does. Closely involved in the running of the 1970 election as a member of the Labour Party Executive, Mr. Gormley is now anxious that Labour will be beaten, again and for similar reasons. As he said this week, it was Mrs. Barbara Castle's proposals for union legislation "In Place of Strife" that embittered the activists and

much meat left on the social

contract bone. The Trade Union and Labour Relations Act, the Employment Protection Act and the Health and Safety at Work Act have all been on the statute book for several years. The only big plum left, industrial democracy, must await the outcome of the election.

### Unemployment level

Furthermore, in spite of tax cuts in the April Budget the TUC has got only half the economic stimulus it wants and unemployment is at a level that would once have been thought politically disastrous. The latest union demand, for a general cut in the working week to 35 or at least 38 hours, has apparently been coolly received.

Where the Government has helped the delicate process of rapprochement is by refusing so far to quote in public any figure for its Phase Four pay controls. A 7 per cent limit on earnings, perhaps split 5 per cent all round with 2 per cent to deal with wage anomalies, is generally assumed to be the target. If round, but not, of course, anything that smacks of a deal with figures on pieces of paper. It is why, for instance, Mr. Murray has reacted so sharply to the Boileau report proposing huge pay rises for state industry chairmen, judges and generals. It also explains why he reflects any talk of monitoring bodies or Parliamentary select committees to institutionalise central pay planning.

Thus the "good understanding," a phrase that could mean anything from a firm embrace to an uneasy truce, is the basis of the TUC-Labour Party liaison committee's new draft of the social contract which will be topped and tailed two days before the TUC General Council meets on July 28 and a week before Phase Three dies. The truth is that there is not much meat left on the social

whether the unions like it or not as he did to the Confederation of Shipbuilding and Engineering Unions last week. His calculation like that of many in the TUC hierarchy, is the opposite of Mr. Gormley's. The activists may about their protests and may refuse to turn out and ring doorbells. But the rank and file will vote for a counter-inflation strategy which further damps down their wage ambitions. It is an assessment much like that of the Conservative leadership about the balance of power: ignore the militants at the top, ignore the frustrated union officials in the middle, and appeal directly to the silent mass of the 11m on the shop floor or in the office.

A senior Minister—not a right-winger—privately explained the calculation recently. He estimated that the two ends of the union movement were broadly in agreement. The problem was the shop stewards, whose livelihood depends on local bargaining and for whom the memory of the 1975 inflation is secondary to today's pay grievance. His answer to the problem was to re-create and re-define the role of the shop steward by extending worker participation.

### Conservative split

Mr. Callaghan's greatest ally, of course, is Mrs. Thatcher. Without the split in the Conservative Party things could be much stickier. As it is, the efforts of her Shadow Employment Secretary, Mr. James Prior, to hammer home the official conciliatory line (no abolition of the closed shop, no big changes in the Employment Protection Act) can be passed over by the unions so long as monetarist economics and the free enterprise industrial policy of Mrs. Thatcher and Sir Keith Joseph lurk in the background.

Nor has Mr. Prior been helped by the leaking of internal

reports weighing up the fire power of unions in a future collision with Government and the scope for denationalisation of strategic industries like coal and steel. In many cases the Electricians and probably the Engineers who despite a vigorous resolution from their policy-making national committee is now controlled by a right-wing executive.

The TUC's dilemma is to try and maintain the social contract (under whatever name) for a while longer, until the Government has read the mood of its keenest party workers in the trade union movement. If it does get back in office, the question will be whether it can maintain the mood and momentum of Phase Three so that it runs quietly into Phase Four in spite of a string of special cases—the firemen, policemen and university teachers among them—who have already been promised very substantial pay rises in the next round.

One need look no further than the strike of 350 Chrysler toolmakers in Coventry, whose claim for improved wage differentials landed in the lap of Government Ministers yesterday, to see that a policy of general containment is always under stress from the shop floor. In Phase Three union members appear largely to have accepted the going rate despite claims of substantial breaches of the 10 per cent in some quarters. But promises made under pressure that things will be sorted out "next time" cannot—as the firemen showed at the beginning of the year—go on for ever undelivered. There will be more firemen, more toolmakers after polling day, whichever political party is there to receive them.

Among those who seem bound to go for a subtler rejection of the social contract is the Conservative Party. The TUC Congress in Brighton, falling perhaps only weeks before an election, will therefore be looking for a formula that reconciles the two strands of the argument. Every effort will be made to get a resounding Yes to a Labour victory and a muffled No to the present Government's policies.

The miners have put their headline resolution on the social contract and Phase Four on to the Congress agenda. They would expect the support of the 2m-strong Transport and General Workers' Union, of Mr. Clive Jenkins's ASTMS, possibly of the big Civil Service unions and local government workers as well as traditional opponents of the social contract like train drivers of ASLEF and other small craft unions.

Among those who seem bound to go for a subtler rejection

### Letters to the Editor

#### Workers

From Miss A. Tuck

Sir—I would like to present another view to what I consider to be the very serious problem of J. R. Walker (July 5) on the subject of students and managerial material.

I totally disagree with the sweeping statement that those who apply for University only do so because they wish to "put off" work for a few years. Having recently graduated myself—not I hope causing me to be biased in the other direction, but at least enabling me to give an account of what actually goes on at University—I can safely say that the majority of students work very hard while they are there and spend a great deal of their spare time in the final year (if not previous years) as well in finding out about and applying for jobs. There are neither work shy or indolgent in merely "casual study" as Mr. Walker suggests.

I do agree, however, that by no means are managerial and other positions of responsibility and intelligence only suitable for those with the highest academic qualifications. I also realise the importance of practical qualifications and experience, particularly in such an economic atmosphere as ours at present. But having come across considerable prejudice while attending interviews, simply for being a graduate, I would like to prevent the mode of thought which previously assumed a degree was the one and only criterion for a top position and was obviously biased, to one which is equally one-sided—that if you are a graduate you must be totally removed from the world of work. (Miss) Allene Tuck, 23, Fairclough Avenue, Chiswick, W4.

#### Firewood

From Mr. R. Lasser

Sir—Having recently returned from trekking in the Khumbu region, I would like to comment briefly on the heavy firewood demands from mountaineering expeditions and trekkers. It is worth noting that such demands are heavier than necessary given Royal Nepal Airlines' persistent

refusal to fly fuels such as kerosene into the airstrips at Lukla and Shangboche. A change of policy on the part of the airline would greatly ease the problem in the Khumbu region. R. G. Lasser, 121, Barnstock, Brighton, Peterborough.

#### Bargaining

From Mr. E. Chalmers

Sir—Once again with an air of false innocence the unions are claiming that all they want is to be able to negotiate freely without Government interference.

Very well then, let them negotiate freely in a free labour market. That means no closed shop, no artificial demarcations and overmanning. It means no unemployment benefit, no redundancy payment and no social benefits to strikers' families. It also means no economic management to artificially raise the level of employment, no special schemes to create jobs.

Obviously, this is not the sort of freedom the unions have in mind. The freedom they want is to be able to hold the community to ransom; while the idiot community obligingly assists by providing all the aforementioned helpful aids to wage bargaining power. E. B. Chalmers, 20, Moorgate EC2.

#### Exchange

From the Sales Director,

Sir James Farmer Norton and Co. Sir, With reference to your article on energy saving in the textile industry, on June 14, as one of the manufacturers of a heat exchange unit (in fact, the very one on which The Shirley Institute carried out the tests mentioned in your article), we have been pursuing through the

Department of Industry the allocation of grants under the new energy conservation scheme announced in the House of Commons the day before your article was published. You can imagine our consternation on learning from the Department of Industry that the application of a heat exchanger on to effluent water does not

qualify for inclusion under the grant scheme since, although waste heat is recovered, the waste heat is not returned through the boiler system. This appears to us a totally illogical, arbitrary and nonsensical distinction, since whether the heat is saved in the boiler by using less fuel to generate steam or outside the boiler by reducing the steam requirement on a piece of equipment, it does not alter the fact that energy is being conserved. We feel it is an invidious discrimination that the purchaser of a feed water economiser should be eligible for a grant when the purchaser of a waste heat unit should not be.

While one is aware that civil servants are anxious not to throw money away, we do feel on this occasion their parsimony is being carried a little too far. A. I. Stirling, Adelphi Iron Works, Salford, Manchester.

**Customers**  
From Mr. R. Kendall. Sir—Not only do foreigners not want our goods neither do we (Samuel Brittain, June 29). Could it be that people threatened with legislation from this Government, and that other place, regarding conditions under which goods and services are supplied are growing more resentful at the continuing erosion of their position as customer or consumer.

R. Kendall, 182 Pool Farm Road, Acocks Green, Birmingham.

**Qualifications**  
From Mr. A. Roper. Sir—I notice that Professor Myddelton (July 5) is asking where my "anti-freedom argument" ends and he is quoting further examples which I do not consider to be analogous to the consumer protection afforded by the control of solicitors which is exercised in the public interest with regard to ability, compulsory insurance and expulsion for professional misconduct.

Of course the public should be free to select which books they read, elect a Government of their choice, and choose which religion they wish. Likewise, the public should be free to choose whichever qualified solicitor they wish to act for them. The basis of my argument is that that choice should be eliminated but that in view of the substantial consumer protection afforded by qualifications and control, Professor Myddelton

should not seek to abolish that consumer protection but he should accept the fact that competition can still exist within the realm of qualification. The fallacy in Professor Myddelton's contentions, where my anti-freedom argument ends? It is not an anti-freedom argument since the freedom still exists. I would ask where Professor Myddelton's argument ends? Shall we press for unqualified persons to be allowed to practise medicine in competition with qualified GPs? They would probably accept lower payment than qualified doctors and the health service could solve its present problems this way. How about increasing the number of illiterate teachers in our children's schools? How about employing unqualified architects to design and supervise the construction of large public buildings? Perhaps we should let loose on our roads some lorry drivers who have not passed the driving test.

One could extend Professor Myddelton's arguments ad infinitum. Some savings in costs could no doubt be effected. Presumably in Professor Myddelton's view it would not matter that we should run the risks of numbers of air crashes by unqualified airline pilots, people dying through lack of proper buildings falling down on top of people, illiterate children leaving schools and heavy goods vehicles mounting the pavement.

Alan D. Roper, Court Chambers, 3, Victoria Street, St. Albans, Herts.

**Words**  
From Mr. C. Reid. Sir—Your recent correspondence raises some very important points regarding the spoken word but these explore barely the tip of the iceberg which is over-shadowing the purity of the language. I can quote several examples such as "this moment (or point) in time," "having said that," "repeated use of the word," "obviously" and so on as ad nauseum. My bete noire is "escalate," used by all the top people in politics and industry right down the chain of authority Stuart Lester, 16, Fortis Green, N2.

**Nippy**  
From Mr. S. Lester. Sir—Mr. Paul Goldsack of Jane's World Railways (July 8 page 6) appears to be unaware of the story of the tortoise and the hare. If the Shinkansen bullet train covers the 108 miles between Nagoya and Sizuoka in 59 minutes at an average speed of 103.7 mph it obviously runs out of steam six miles short of its destination. British Rail, on the other hand, plodding along at 103.2 mph can at least be relied upon to reach the station. No doubt the six-mile daily jog explains the superior physical fitness of Japanese businessmen Stuart Lester.

**Nationalisation**  
From Mr. G. Burghes. Sir—Your article regarding Cable and Wireless (June 28) is quite extraordinary in that no mention is made of the man who really built up the company, namely, the late Sir Edward Wilshaw. The nationalisation of this company appears to have been founded largely on jealousy. Who knows to what heights it would have risen (together with the bosses' salaries) if left, as Sir Edward wished, in the private sector. G. H. Burghes, 11, Heath Street, Hampstead, NW3.

## WE'RE RICH! JOIN US!

We, Peter Whitfield and Bob Tanner, starting with £75 each—have made millions in shares (Clubman's Club, Orme Developments, etc.). We are now joining forces with Peter Welham (Quorum of The Daily Telegraph) to produce Equity Research Associates NEWSLETTER, a fortnightly private investment newsletter. Equity Research Associates will seek undervalued investment situations—and tell you when to buy and sell. They will give positive advice on bids and new issues and keep a keen eye on shareholders' rights. Its distinguished list of contributors will include acknowledged experts on all aspects of investment. Ensure that you receive the first issue (Sept. 4th 1978) FREE by completing the coupon (below).

For details of FREE TRIAL OFFER, write or telephone now:

To Equity Research Associates  
Wardrobe Chambers  
146a Queen Victoria Street  
London EC4V 5HD

Please send me details of the FREE TRIAL OFFER of the NEWSLETTER

Name

Address

Address

Address

Address

Address

Address

Address

Address

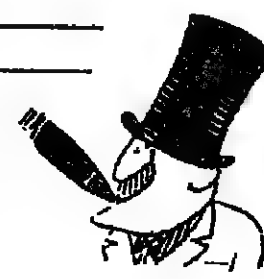
Address

Address

Address

Address

Address



orphone 01-248 7012



**BY ARTHUR SANDLES**

The Fund, formerly Coyne Sixth Fund, was reconstituted with the approval of unitholders on 18th June, 1978.

APPLICATIONS and cheques will not be accepted provided but certificates will be sent by post 6 days after the close of the offer. YOU MUST SELL YOUR UNITS at the price or at a price not less than that calculated by the payment of Trade Securities. Payment will be made within 10 days of receipt of the renounced certificate. The price of units and the yield are quoted daily in the National Press. AN INITIAL CHARGE OF 5% IS

Included in the sale price of units. The Managers will pay commission of 1½% to qualified agents. THE MANAGERS reserve the right to close the offer before the date stated if the offer price falls by more than 2½%. After the close of the offer unit holders may sell their units at the offer price at any time but the price will be distributed on 1st March and 30th September, Unit holders must qualify for the offer by 30th September, 1978. An annual charge of 5% will be deducted from the gross income of the fund deducted from the gross income of the fund.

MANAGERS: Target Trust Securities Limited (A Member of the Unit Trust Association)

DIRECTORS:  
R. W. Simon, T.D.F.C.A. (Chairman);  
G. L. Sampson, J.P. (General Manager);  
R. H. Lord, J.P. (Director);  
J. G. Binks, F.R.S., F.I.C. & F.E.A.;  
C. A. Buchanan, F.R.S. & F.I.C.;  
P. P. Smith, F.R.S. & F.I.C.;  
D. C. P. Jones, F.R.S. & F.I.C.  
Telephone 01-607 7523

## OFFER OF UNITS AT 20.7p EACH UNTIL 14th July 1978

**Current estimated gross annual yield 4.11%**

**TARGET TRUST MANAGERS LIMITED, DEPT. T.O., TARGET HOUSE, GATEHOUSE ROAD, AYLSBURY, BUCKS HP19 3SE.**

in Initial Subscription Fund  
units at 20.7p per unit (unitless)  
to invest £2000 and enclose a  
cheque made payable to Target Trust Managers Ltd.

Unit holders please return us income in further units. (Delete if not required).

Signatures: \_\_\_\_\_ Date: \_\_\_\_\_  
*(Note applicants to sign and attach names and addresses separately.)*

Name(s) in full (Mr, Mrs, Miss) \_\_\_\_\_ FT 6  
Address \_\_\_\_\_

Please tick one of the details of Target's Monthly Income Scheme ☐ Share Exchange Scheme ☐ Monthly Savings Scheme ☐  
Target's Monthly Income Scheme ☐ Target's Monthly Income Scheme ☐ Target's Monthly Income Scheme ☐







# SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

Newman Tonks has emerged as the mystery suitor of Econa, the Birmingham-based sanitary engineers, which were suspended last week at 72p following the announcement of bid talks. The 4m bid comprises nine Newman shares plus £4.35 in cash for every ten Econa shares. The proposed merger has been given the blessing of the Econa directors who have pledged acceptance in respect of their shareholdings of 6 per cent.

A new diversified and publicly quoted plantations company with a net worth of about £2m will come to the market if plans announced last week bear fruit. The Robinson family and associates are drawing together various plantation interests in Rightwise which until now has been a private company. Rightwise will bid for Deundri Holdings, Gadek Indonesia, and Arbour Court Investments, while Gadek Indonesia at the same time will offer to buy in the 21.9 per cent of Sampang Java which it does not already own. The Robinson family and associates already control Deundri and Gadek Indonesia but not Arbour Court Investments.

Grand Metropolitan is making an agreed bid for Alnwick brewery, which despite its name is a distributor of a wide range of wines, beers and spirits. Grand Metropolitan is offering £23.25 for each ordinary share and £1 for each preference share of the unquoted company.

The board of Spooner Industries is opposing the 80p a share offer from Sandvik which countered an earlier bid of 85p from Redman Heenan. Shareholders are advised to take no action and await the board's detailed reasons why it considers Sandvik's offer inadequate.

In the face of stiff opposition from the Western family and associates which control a 53 per cent stake, W. and J. Glossop as stepped up its offer for the ordinary shares of Western Bros. from 85p to 120p a share. Glossop, however, is not altering the terms of its 53p a share offer for the preference stock.

Manchester Garages, one of the country's leading Ford dealers, and Oliver Rix, its BL counterpart, could announce a merger within the next 10 days. Talks between the two companies are well advanced and the deal has already been cleared by both Ford and BL.

The Takeover Panel announced on Thursday that certain features of Mooloya Investments' bid for Customagie constitute a serious breach of the Takeover Code. It ordered a procure-

ment fee of £38,625, designed to secure acceptance of certain Customagie shareholders holding 1.4m shares out of an issued total of 5.25m, should not be paid. It also ordered that Mooloya should pay another 1p a share in cash by raising its offer to 21p per share.

Company bid for	Value of bid per share** price**	Price before bid (£m's)**	Value of bid (£m's)**	Bidder	Final Acct'g date
Albright & Wilson	195*	188	115.04	Tenneco	12/7
Bridgewater Tst.	6.5*	5	0.297	Sagest SA	12/7
Cornercroft	25*	21	1.82	Armstrong	12/7
Customagie	20*	19	1.05	Mooloya Inv.	12/7
Eastwood (J.B.)	122*	123	31.53	Cargill	12/7
Econa	94*	91	2.91	Newman-Tonks	12/7
Fluidrive Eng.	73	82	5.83	Thos. Tilling	14/7
Fluidrive Eng.	84	81 1/2	5.77	Assoc. Eng.	14/7
Harrison	93*	114	115.78	Crosfield	12/7
Malaysian Ests.	210*	205	5.85	Roadstone	12/7
Henderson (J.W.)	20*	22	0.39	Boybourne	12/7
Henderson (W.)	20*	22	0.75	Petford	12/7
Investment Trust Corp.	288	255	84.21	Barclays Bank	12/7
KCA Int.	125*	116	14.50	Dane Corp.	12/7
Leslie & Godwin	122*	123	11.45	Colonial Mutual	12/7
Land & Liverpool	21*	25	10	W. & A. S.A. Zieg	12/7
Trust	200*	196	4.23	Millicent AB	12/7
Mills Masters	62*	78	1.26	Mitchell Coits	12/7
Mitchell Coits	55*	58	2.78	Redman Heenan	12/7
Spooners Inds.	80*	85	3.39	Sandvik	12/7
Spooners Inds.	80*	86	0.78	Equity	12/7
St. Kitts (London)	200*	200	2.78	Starwest Inv.	12/7
Trident Group	145*	141	12.4	W. J. Glossop	12/7
Printers	120*	116	2.02	Newman Inds.	19/7
Turner Mfg.	59*	55	48		
Western Bros.					
Wood & Sons					

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. \*\* Based on 6/7/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. || Based on 17/7/78.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Assoc. Newspapers	Mar. 31	15,841 (12,013)	23.9	(19.9)
Bambertons	Mar. 31	1,380 (1,880)	6.3	(8.8)
Bassett (G.)	Mar. 31	3,020 (3,450)	30.1	(32.5)
Blackburn & Carr	Jan. 31	1,631 (1,041)	2.0	(0.71)
Braham Miller	Mar. 31	1,890 (972)	7.9	(7.4)
Brillhwaite	Mar. 31	1,020 (1,920)	17.9	(23.8)
Brixhose, Dudley	Mar. 31	2,020 (1,500)	6.5	(5.0)
Bristol Post	Mar. 31	1,760 (1,240)	14.4	(10.4)
Burtwood Brw.	Mar. 25	1,340 (1,300)	16.9	(14.4)
Caledonian	Mar. 25	468 (345)	60.5	(41.5)
Celestia	Apr. 1	1,180 (1,690)	5.1	(3.5)
Colmore Inv.	Mar. 31	191 (238)	3.3	(3.9)
Cropper (J.)	Apr. 1	389 (44)	23.0	(2.4)
Daily Mail Trust	Mar. 31	2,580 (2,650)	17.9	(17.3)
Dawson (G.H.)	Mar. 31	1,720 (1,890)	67.0	(41.5)
Edmond	Apr. 8	120 (203)	4.1	(4.4)
Elliot (E.)	Mar. 31	247 (133)	1.7	(1.4)
English Card	Apr. 1	2,760 (2,860)	16.5	(22.0)
Eucalyptus	Dec. 31	1,350 (2,150)	27.3	(33.9)
Exel	Mar. 31	2,100 (1,760)	11.4	(10.2)
Exel (P.)	Dec. 31	1,040 (887)	1.4	(0.7)
GEC	Mar. 31	325,300 (275,300)	25.3	(20.8)
Greene King	Apr. 30	4,250 (3,600)	20.6	(17.9)
Henderson, Kenton	Mar. 31	1,430 (1,410)	12.0	(16.8)
Marshall Brew.	Mar. 31	462 (420)	0.4	(0.4)
Kinta Kellie Rbr.	Mar. 31	478 (496)	4.7	(5.0)
Lees (John J.)	Mar. 31	133 (113)	7.2	(5.7)
Land, Mid. Inds.	Mar. 31	1,910 (1,580)	15.6	(14.3)
Marshall (H.V.)	Mar. 31	2,160 (1,890)	34.5	(24.5)
Merray Secs.	Mar. 31	10,770 (11,710)	19.0	(20.3)
Monk (A.)	Mar. 31	2,730 (2,280)	10.9	(8.5)
Messager Merc.	Mar. 31	1,130 (1,130)	7.4	(5.1)
Pegler Hastings	Apr. 1	12,580 (18,160)	26.1	(41.5)
Rediffusion	Mar. 31	17,430 (16,470)	7.7	(7.7)
Reynolds	Mar. 31	890 (970)	9.5	(11.1)
Routledge	Mar. 31	2,470 (2,300)	7.4	(5.1)
Scottish & Newcast.	Apr. 30	35,380 (35,110)	10.0	(9.3)
Shaw Curpess	Apr. 30	1,580 (1,220)	29.8	(25.8)
Smith (David S.)	Mar. 31	1,910 (1,510)	11.5	(12.3)
Sound Diffusion	Dec. 31	560 (478)	8.2	(8.3)
Strand Riley	Mar. 31	480 (331)	12.8	(5.4)
Tea	Feb. 28	28,540 (30,190)	5.4	(4.7)
Tex Abrasives	Mar. 31	428 (279)	6.8	(7.2)
Waddington (J.)	Apr. 2	3,790 (3,270)	19.6	(27.7)
Wellman Eng.	Mar. 31	1,553 (1,409)	6.7	(7.2)
Wilkins & Mitchell	Apr. 1	64 (631)	1.3	(0.1)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Alcorno, Discount	June 30	2,140 (200)	4.8 (4.5)
Bart (A.G.)	Apr. 30	495 (219)	0.75 (0.67)
Bath and Portland	Apr. 30	2,050 (1,850)	1.6 (1.5)
Birmingham Pallet	Apr. 30	121 (193)	2.0 (1.3)
Braid	Mar. 31	339 (401)	0.478 (0.433)
Brentnall Beard	Mar. 31	233 (564)	0.572 (0.531)
Glanfield	Apr. 2	15L (8)	(—) (—)
Gough Cooper	Mar. 31	295 (579)	1.98 (1.85)
Granada	Apr. 15	16,200 (11,624)	1.171 (1.065)
Habit Eng.	Mar. 31	89 (50)	0.55 (0.4945)
Independent News	June 30	1,360 (818)	4.062 (2.437)
Lineroff Kilgour	Mar. 31	424 (365)	1.3 (1.32)
Parker (Fredk.)	Mar. 31	8,140 (2,900)	2.475 (2.473)
Thermal Syndicate	Apr. 30	202 (351)	2.0 (3.0)
Winterbottom	May 31	219 (185)	2.0 (1.6)

(Figures in parentheses are for corresponding period.)  
Dividends shown net except where otherwise stated.  
\* Adjusted for any intervening scrip issue. † Net profit figures for 18-month period. ‡ 18 month period. § Includes interim and second interim, proposed final is 1.162p. || Includes bonus of 0.335p payable providing legal right to do so exists after July 31. L. Loss.

## Offers for sale, placings and introductions

Birmingham District Council: £50m floating rate stock 1983-85 at £90.40 per cent.

## Rights Issue

Dartmouth Investments: One-for-three at 15p.

## Scrip Issue

Henderson Kenton: One £1 10 per cent preference for five ordinary.

## John Brown sees growth slowdown

PART FROM the machine tool and plastics machinery interests a recovery process at John Brown and Company is now complete. So, as long as the existing line of product activities remains substantially unchanged, holders could not expect further annual growth of the order achieved in 1977-78 when pre-tax profits jumped from £10.88m to £12.2m.

In his annual statement in January of the full accounts Lord Abernethy, who is to retire from a chair on July 28, says that there will be further profit increases over the years but at a more conventional rate. Development of existing or related ranges of products will enhance this process, as would the purchase of complementary businesses.

For the current year machine tool and plastics machinery orders are likely to remain dull while John Brown Engineering faces a sales challenge to secure substantial number of orders vulnerable to substantial swings in the current year. "Even so, the current year would not disappoint stockholders," states the chairman, and commenting on the past year's profits he reports that JBE had a very profitable year but a record of 48 turbines in the current year should be re-evaluated as exceptional. JBE's current year will be good but a record of 48 turbines in the current year should be re-evaluated as exceptional. JBE's current year will be good but a record of 48 turbines in the current year should be re-evaluated as exceptional.

Lord Abernethy (who is to become president of the company) will be succeeded by Mr. John Mayhew-Sanders as chairman. Sir Eric Mensforth is relinquishing the position of deputy chairman.

The full accounts have been delayed by industrial action at the printers and this has required a postponement of the annual meeting to September 4.

Buoyant new business in both the life and pension sectors is reported for the first half of the financial year, ending November 12, by Standard Life Assurance, the largest life company in Scotland. New annual premiums rose by 30 per cent to £7.9m compared with £6.1m in the corresponding period last year. Premiums on contracts related to house mortgages were 36 per cent higher at £1m, premiums on self-insured pension schemes are being employed pensions nearly doubled in 1977-78, while premiums on executive pension arrangements were 150 per cent up at £1m.

New annual premiums for group pension business in the UK rose by 38 per cent to £3.3m from £2.4m and group life business by 25 per cent to £1.3m. The company also reports that single premium business is well up during the period.

## Toothill picking up after £120,000 loss

AFTER CREDITING temporary employment subsidy of £164,100, R. W. Toothill, furniture manufacturer, reduced its taxable loss from £149,605 to £119,189 for the year to March 31, 1978.

The directors say that the level of loss before temporary employment subsidy has so far in the current year been sharply reduced and they are now aiming to operate at a profit this year. However, while the volume of trading remains sluggish it would be imprudent to suggest any significant level of profit in the short term. They remain optimistic about the longer term.

To conserve resources, as last year, there is no dividend. The loss per 25p share for the year under review is given at 7.05p (8.6p).

Invoice sales for the 12 months fell from £2.5m to £2.16m excluding VAT and the pre-tax loss was struck after depreciation of £24,779 (£26,299). There was a tax credit of £28,752 (£32,018) leaving the net deficit at £49,394 (£67,567).

Price Waterhouse as auditors of Reed International, not Hill Vellacott as reported in a survey in the issue of July 6.

## Hancock pleads for investment in Australia

AUSTRALIA HAS ASYB worth of new projects ready to go if they can be freed from Government "strangulation" so as to attract capital, according to Mr. Lang Hancock, the Australian entrepreneur who discovered the mammoth Hamersley iron ore field in the Pilbara region.

Speaking in London yesterday he roundly and characteristically attacked the Canberra Government as he appealed for what he called "a favourable climate for investment in risk capital," particularly from the UK and Japan.

But he could offer no firm information about the possibilities of a start to development at his own company's Marandoo iron ore

## Braid sticks to its earlier optimistic view

The reported fall in taxable profit at Braid Group for the first six months of the current year is not seen in any way as representing a trend, says Mr. D. C. Bamford, the chairman, and he stands by the cautious optimism he expressed in February.

Vauxhall sales are once again rising and with the exception of vans, the shortage of which is disturbing, the company now has the stocks to support its marketing effort.

On sales of £13.81m (£12.11m) the profit for the half year to March 31, 1978, slipped to £389,246 (£401,885).

### BELHAVEN

have been brewing beer for over 500 years

REPORT AND ACCOUNTS FOR LAST YEAR FROM —

BELHAVEN HOUSE, 67 WALTON RD., MOLESEY, SURREY.

### AB Electronic redundancies

AB Electronic Products, the components manufacturer with sales last year of £17m, is to axe an unspecified number of jobs at its main factory in Giamorgan, following the merger of the switch and controls divisions.

No figures will be announced until discussions with trade unions

# Lindustries

INDUSTRIAL HOLDING COMPANY WITH INTERESTS IN THE U.K. AND OVERSEAS MAINLY IN ENGINEERING, POLYMERS AND TEXTILES.

Group Results for the financial year ended 1 April 1978			
	1978 £000	1977 £000	%
Turnover	88,403	78,964	+12%
Exports	14,698	14,470	+2%
Profit before tax	6,919	6,605	+5%
Profit after tax	4,859	4,547	+7%
Assets employed	40,672	38,976	+4%

	1978	1977	%
Per 25p ordinary share			
Earnings	24.7p	23.1p	+7%
Dividend	9.0p	4.4p	+105%
Dividend cover	2.7	5.3	-48%
Asset value	179.2p	168.7p	+6%

The Annual General Meeting will be held at The Dorchester, Park Lane, London W1 on 28 July 1978.

#### Engineering

Heaters and air conditioners for motor vehicles, equipment for military and off-highway vehicles, bulk handling equipment for the mining industry, metal forming equipment, brewing equipment, electrical elements and heaters, office equipment.

Sales: £37,763,000 +19%  
Profits: £3,165,000 +41%

#### Polymer

Rubber gaskets, rings, hose pipes, anti-pollution booms, sponge sheeting, mouldings, wet suit material, rubber bands, plastic ties, plastic pourers and dispensers, medical and surgical products.

Sales: £16,492,000 +11%  
Profits: £846,000 -27%

#### Textile

Natural and synthetic threads, twines and braids; yarns, ropes, narrow fabrics.

Sales: £20,703,000 +5%  
Profits: £1,985,000 -9%

#### Overseas

Fish nets, ropes and twines, marine hardware, threads, canvas goods.

Sales: £13,445,000 +6%  
Profits: £1,239,000 +3%

Copies of the 1978 Report and Accounts can be obtained from Lindustries Ltd, Trevor House, 100 Brompton Rd, London SW3 1EL.

# ARBUTHNOT GOVERNMENT SECURITIES TRUST LTD.

(Incorporated in Jersey)

## 12% Estimated Gross Yield

### Income Shares and Capital Shares

Arbuthnot Securities have formed this new company, registered in Jersey, to invest in United Kingdom and Irish Government Securities.

The Company's only tax liability will be the Jersey Corporation Tax, currently a fixed annual charge of £300.

This will result in the company having a tax free income and its income shares will provide investors with an estimated gross yield in excess of 12%. The dividend will be paid without deduction of tax\*.

Holders of Capital Shares, available to overseas residents only,\* will receive, instead of

a dividend, a scrip issue of Capital Shares (at the relevant issue price) of value equal to the gross dividend paid on the Income Shares. This facility will enable investors to build up their capital without the uncertainties inherent in equity investment.

Investment policy will aim to achieve a steady level of income while giving a degree of security to capital values.

After the initial offer (which closes on 21st July 1978), Shares can be bought and sold each Monday in a similar way to units in a Unit Trust, at prices based on the underlying net asset value.

Copies of the Prospectus and Application form can be obtained by telephoning 01-236 5581 or from the following:

#### Investment Advisers

Arbuthnot Securities Ltd.,  
37 Queen Street,  
London EC4R 1BY

#### Secretaries

Standard Chartered Trust Company (C.I.) Limited,  
P.O. Box 284, Rutland House,  
Pitt Street, Charing Cross,  
St. Helier, Jersey, C.I.

#### Brokers

Cazenove & Co.,  
12 Tokenhouse Yard,  
London EC2R 7AN

\* Except in Jersey residents.

Directors: Sir Trevor Dawson, Bt., (Chairman) N. G. Barrett, D. St. Clair Morgan, J. S. Clark, A.C.A., A.C.I.S., R. W. Masters, A.I.B.

Please send me a copy of the Prospectus and Application Form for shares in Arbuthnot Government Securities Trust Limited.

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Address: \_\_\_\_\_

## ARBUTHNOT

(Established 1833)

### GOVERNMENT SECURITIES TRUST LIMITED



## WORLD STOCK MARKETS

## Wall St. up 5 on inflation news

**INVESTMENT DOLLAR**  
**PREMIUM**  
 \$2.50 to \$1.10 (112%)  
 Effective \$1.75—\$1.75 (52%)  
 A DECIDEDLY BETTER tendency developed on Wall Street yesterday, buoyed by encouraging news on the fight against inflation.

The Dow Jones Industrial Average moved up 5.29 to 812.46, reducing its loss on the holiday shortened week to 6.49. The NYSE All Common Index, at \$33.34, rose 34 cents on the day but was still 32 cents down on the week, while rises led falls by a two-to-one majority. But trading volume decreased 1.49m shares to 23.48m.

The Labor Department reported June Wholesale Prices rose 0.7 per cent, the same as in May, easing upward pressure on Future Consumer Prices.

The Labor Department also said unemployment fell in June to 5.7 per cent of the workforce from 6.1 per cent in May, which analysts said gives the Government leeway to be more aggressive against inflation and less concerned about unemployment.

**FRIDAY'S ACTIVE STOCKS**

Stock	Change	High	Low	Open	Close
IBM	+0.12	100.12	99.88	100.00	100.12
AT&T	+0.05	48.05	47.95	48.00	48.05
GE	+0.03	35.03	34.97	35.00	35.03
Westinghouse	+0.02	28.02	27.98	28.00	28.02
General Electric	+0.01	22.01	21.99	22.00	22.01
Johnson & Johnson	+0.01	55.01	54.99	55.00	55.01
Merck & Co.	+0.01	45.01	44.99	45.00	45.01
Pfizer Inc.	+0.01	35.01	34.99	35.00	35.01
Amgen Inc.	+0.01	25.01	24.99	25.00	25.01
Boehringer Ingelheim	+0.01	15.01	14.99	15.00	15.01

**NEW YORK—DOW JONES**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Dow Jones Industrial	812.46	807.17	805.76	812.46	818.5	821.64	808.11	808.11
NYSE All Common	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34
NYSE All Industrials	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34
NYSE All Financials	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34
NYSE All Utilities	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34

**STANDARD AND POORS**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Standard & Poor's 500	104.76	104.00	104.02	104.67	105.55	105.55	104.84	104.84
Standard & Poor's Industrials	104.76	104.00	104.02	104.67	105.55	105.55	104.84	104.84
Standard & Poor's Financials	104.76	104.00	104.02	104.67	105.55	105.55	104.84	104.84
Standard & Poor's Utilities	104.76	104.00	104.02	104.67	105.55	105.55	104.84	104.84

**F.T. CROSSWORD PUZZLE No. 3713**

A prize of £5 will be given to each of the senders of the first three correct solutions. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

**ACROSS**

- 1 Points blues on the Udayway (3, 7)
- 2 Anti-rust direction can be a bore (3, 4)
- 3 Please make key boy study (7)
- 4 Denny 'r may be wanting (5)
- 5 Brass takes a long time to arrange cheap sea travel (8)
- 6 Further protection for man in field (5, 5)
- 7 A qualified chemist has current (4)
- 8 A Spanish taken care of by the way (4)
- 9 Work rate might mount first (5, 5)
- 10 Plant grown in a tin like this (8)
- 11 It's sticky about wrongdoing (5)
- 12 Greek capital lets in deadly tree (7)
- 13 Shipboard on board returning sailor left after all (7)
- 14 Prize awarded to road was easily first (2, 1, 6)

**DOWN**

- 1 Trouble intended we hear to cause affliction (7)
- 2 Regularly regarded as commonplace (5, 5)
- 3 Undemanding lines from watched-on writer (8, 5)

**SOLUTION AND WINNERS OF PUZZLE No. 3707**

Following are the winners of last Saturday's prize puzzle:

Miss L. Marr, 6, Cliff Parade "A" Hunstanton, Norfolk.

Mr. E. Massey, La Ferme de la Fontaine, Grouville, Jersey, C.I.

Mrs. E. A. Stephenson, Crunk My-Three Rallure Promenade, Ramsey, Isle of Man.

Continuing investor worry about another round of monetary tightening by the Federal Reserve was not allayed by the report yesterday of a \$700m rise in the Basic Money stock, even though the increase was less than expected.

British Petroleum, up \$1 at \$117, headed the active list. Lloyds also were active and advanced \$2 to \$44. Johnson and Johnson rose \$1 to \$81.

Chrysler picked up \$1 to \$101—the Department of Transportation found Chrysler's Omni and Horizon car safe. GM's Omni and Horizon slipped \$1 to \$40 on price increases on some aluminum products. Reynolds Metals, up \$1 to \$281, also announced an increase in some product prices.

Colonial Stores gained \$1 to \$28—its board rejected a bid by Caneval's Grand Union Unit at \$30 a share.

The American SE Market Value Index rose 1.13 to 146.30, for a net gain of 0.75 on the week. American Motor Ins., the volume leader, jumped \$4 to \$152—its board rejected a bid by Caneval's Grand Union Unit at \$30 a share.

ANALYSTS—Further gains were scored yesterday, when the Toronto Composite Index put on 3.7 to 1125.6 with advances in 11 of its 14 component groups. The Oil and Gas Index advanced 20.5 to 1,448.8. Pacific Petroleum rose \$1 to \$38 on news of its four West Pembina oil finds, and

Texas Canada put on \$2 to \$401—it has a one-third stake in the new. Husky Oil climbed \$3 to \$53.

Ashtand Oil Canada lost \$1 to \$291 on Kaiser Resources, off \$1 to \$144, plan to offer \$25 a share.

PARIS—Firm in active trading in initial favourable reaction to report on Bremen on plans for European currency stability. Continued low level of Call Money also encouraged market.

BRUSSELS—Mixed to mostly higher in quiet trading. UK and Dutch little changed. Germans steady. Canadians and French rose. US mixed to mostly lower. Gold Mines fell.

AMSTERDAM—Firm, following higher dollar, moved up on State Loans quietly mixed. Switzerland—Generally higher in quiet trading. Gains exceeded losses 49 to 21.

BERLIN—Chemicals and Insurance mostly better. Financials and Industrials mixed. MAAG registered up Frs 73 at 1,490.

OSLO—Industrials and Bankings steady. Insurances and Shippings up.

MILAN—Mixed in fairly active trading. Industrials all higher. Bonds lower in quieter trading.

VIENNA—Market drifted lower with Breweries losing ground.

HONG KONG—Slightly easier on active profit-taking, although institutional demand near close stemmed the decline.

TOKYO—Sharply higher, led by "Populists" and Blue Chips, with Market Average rising 28.76 to new post-war high of 3618.89 in fairly active trading. Volume 460m (400m) shares.

Buying spread over wide front on dollar's recovery against yen, with active buying by major Japanese Export-oriented Trusts. Export-oriented Trusts, Textiles and Stores also moved up on a recovery in personal spending. Some Pharmaceuticals, Machines and Speculators lower on late profit-taking.

JOHANNESBURG—Gold shares mixed in quiet dealing. Mining Financials also quiet and moved in union with Producers.

AUSTRALIA—Mixed, with most interest in Minings. Rancecontinental lost 20 cents to \$314.20. Unah were 3 cents to \$3.95 on its continuing labour problems.

In Coals, Coal and Allied eased 3 cents to 4.45 after Thursday's sharp jump on bid rumours. Thais dipped 10 cents to 4.40.

NEW YORK—ALL COMMON

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
NYSE All Common	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34
NYSE All Industrials	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34
NYSE All Financials	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34
NYSE All Utilities	33.34	32.99	32.99	33.34	33.34	33.34	33.34	33.34

**MONTREAL**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Montreal Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Montreal Industrials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Montreal Financials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Montreal Utilities	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00

**TORONTO**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Toronto Composite	1125.6	1121.8	1118.5	1125.6	1125.6	1125.6	1125.6	1125.6
Toronto Industrials	1125.6	1121.8	1118.5	1125.6	1125.6	1125.6	1125.6	1125.6
Toronto Financials	1125.6	1121.8	1118.5	1125.6	1125.6	1125.6	1125.6	1125.6
Toronto Utilities	1125.6	1121.8	1118.5	1125.6	1125.6	1125.6	1125.6	1125.6

**JOHANNESBURG**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Johannesburg Composite	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0
Johannesburg Industrials	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0
Johannesburg Financials	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0
Johannesburg Utilities	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0

**SPAIN**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Spain Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Spain Industrials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Spain Financials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Spain Utilities	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00

**GERMANY**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Germany Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Germany Industrials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Germany Financials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Germany Utilities	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00

**PARIS**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Paris Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Paris Industrials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Paris Financials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Paris Utilities	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00

**AUSTRALIA**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Australia Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Australia Industrials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Australia Financials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Australia Utilities	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00

**TOKYO**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Tokyo Composite	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89
Tokyo Industrials	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89
Tokyo Financials	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89
Tokyo Utilities	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89	3618.89

**VIENNA**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Vienna Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Vienna Industrials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Vienna Financials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Vienna Utilities	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00

**JOHANNESBURG**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Johannesburg Composite	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0
Johannesburg Industrials	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0
Johannesburg Financials	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0
Johannesburg Utilities	35.0	34.5	34.0	35.0	35.0	35.0	35.0	35.0

**AMSTERDAM**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Amsterdam Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Amsterdam Industrials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Amsterdam Financials	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Amsterdam Utilities	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00

**COPENHAGEN**

Index	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30
Copenhagen Composite	100.00	99.00	99.00	100.00	100.00	100.00	100.00	100.00
Copenhagen Industrials	100.00	99.00	99.00	100.00	100.00	1		



## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Board changes at Swedish pulp group

By William Duffell

STOCKHOLM, July 7. THE CHANGES in the top management of NCB called for by both the Swedish Government and the company's bankers were effected at an extraordinary general meeting yesterday. Mr. Gunnar Hedlund, retired chairman and chief executive, remains on the Board.

He is replaced in the chairman's post by Mr. Sven Lindqvist, managing director of the Cooperative Banks, while Mr. Gunnar Engman, a director of Koppa Berg, will serve as managing director for six months in an effort to put NCB back on a feet.

The accounts of the hard-pressed pulp and paper company, which belongs to the north-western forest owners, have not been closed for 18 months. But Mr. Anders Lindqvist, the assistant chief executive, said the pre-tax loss for the period would be about SKr 525m (\$15m).

The turnover of some SKr 3.5bn. The losses had been made by a parent company, which had been badly hit by the fall in pulp prices. Its subsidiaries, on the other hand, had broken even.

NCB had debts of around SKr 1.5bn, Mr. Lindqvist said. He hoped the SKr 400m loan from the state, an increase of some SKr 200m in the share capital and further borrowing of SKr 150m-Skr 200m would see the company through its present crisis.

Mr. Engman, the temporary managing director, stated that the use of two factories, which had already been announced, would not be enough to restore NCB to profitability.

The First Viking Commodity Trusts

Commodity Offer 37.7 Trust BID 35.8

Double Offer 80.0 Option Trust BID 75.0

Commodity & General Management Co Ltd 8 St George's Street Douglas Isle of Man Tel: 0824 4882

## Portugal tapping Euroloan market for further \$300m

By John Evans

As the latest stage in its borrowing programme in the international capital markets, Portugal has reached agreement with a group of six major banks to raise a \$300m Euroloan.

The new credit bears the same terms as a seven-year maturity and margin of 1 per cent over interbank rates—as the \$150m loan which has just been completed for the Republic among a group of predominantly European banks.

The mandate for this latest loan has been awarded on an equal basis to Amstar Bank Ltd, Banque Nationale de Paris, Chase Manhattan Ltd, Dresdner Bank, Industrial Bank of Japan and Manufacturers Hanover Ltd, monetary officials in Lisbon confirmed yesterday.

The credit is being fully underwritten among these six banks. While it will be syndicated generally in the international markets, the Portuguese monetary authorities have partly achieved one of their aims to get a larger degree of participation from U.S. banks in this latest financing.

The proceeds, along with the earlier \$150m operation which was managed by Westdeutsche Landesbank and Commerzbank, help meet Portugal's target of at least \$800m for Portugal.

In turn, this government-to-government financing was set in motion by the recent agreement with the International Monetary Fund for a \$700m standby credit.

Earlier plan to raise up to \$700m via such loans because of some reluctance in the international banking community to extend funds to the country.

For some banks, such reluctance is based more on Portugal's decision to raise Eurodollar finance at the relatively low margin of 1 per cent than a view that the Republic represents a poor lending risk.

The Eurodollar financing target of around \$500m comes on top of the OECD funding programme of at least \$800m for Portugal.

Some bankers claim that Portugal has had to curtail an earlier plan to raise up to \$700m via such loans because of some reluctance in the international banking community to extend funds to the country.

For some banks, such reluctance is based more on Portugal's decision to raise Eurodollar finance at the relatively low margin of 1 per cent than a view that the Republic represents a poor lending risk.

The Eurodollar financing target of around \$500m comes on top of the OECD funding programme of at least \$800m for Portugal.

In turn, this government-to-government financing was set in motion by the recent agreement with the International Monetary Fund for a \$700m standby credit.

Earlier plan to raise up to \$700m via such loans because of some reluctance in the international banking community to extend funds to the country.

For some banks, such reluctance is based more on Portugal's decision to raise Eurodollar finance at the relatively low margin of 1 per cent than a view that the Republic represents a poor lending risk.

The Eurodollar financing target of around \$500m comes on top of the OECD funding programme of at least \$800m for Portugal.

In turn, this government-to-government financing was set in motion by the recent agreement with the International Monetary Fund for a \$700m standby credit.

Earlier plan to raise up to \$700m via such loans because of some reluctance in the international banking community to extend funds to the country.

For some banks, such reluctance is based more on Portugal's decision to raise Eurodollar finance at the relatively low margin of 1 per cent than a view that the Republic represents a poor lending risk.

The Eurodollar financing target of around \$500m comes on top of the OECD funding programme of at least \$800m for Portugal.

## GO's Hong Kong links approved by meeting

By Anthony Rowley

BONG KONG, July 7. RESOLUTIONS enabling Sir James Goldsmith's General Oriental Company to proceed with its planned acquisition of Argyle Securities (Holdings) and with related transactions were passed at an extraordinary meeting here today.

Only around 30 shareholders attended the meeting and the resolutions, relating to the Argyle acquisition and to the necessary increases in capital to permit this and the acquisition of a block of shares in General Oriental, were passed in a matter of minutes without any questions being raised.

A statement issued by General Oriental following the meeting said: "Resolutions approving the acquisition of Argyle Securities (Holdings) and of 16.75m new shares were passed. The conditions subject to these acquisitions, which have now been fully subject to listing being granted for the \$5.25m and 16.75m new shares of General Oriental being issued as consideration."

Sir James who has been in Hong Kong this week has again stated that the deal involving General Oriental and Argyle will ultimately result in effective control of GO, his Paris-based holding company, being exercised from here rather than from France.

He said that 51 per cent of GO would be controlled within France even though General Oriental has said it may acquire further shares in the company.

In addition to the 31.3 per cent of GO which its subsidiary, Argyle, will control directly and indirectly following the deals, Sir James' share will be 16.75 per cent.

Sir James also spoke of plans to boost Anglo-French activities in the Middle East and to give GO's Banque d'Affaires subsidiary, Banque d'Affaires pour l'Industrie et le Commerce (BAIC), a consolidated trade-financing role.

AMEV, the Dutch insurance group, said its "Utrecht" insurance subsidiary will make a \$110m (\$45m) offer for the entire capital of the agricultural property group Dordrechtse Landbouwverzekering.

Discussions on the bid conditions are continuing and if they are in agreement "Utrecht" will offer 2,000 per cent of Dordrechtse's 500 shares and \$11.5m for each of the six founder's certificates.

AMEV, which is expanding its non-insurance activities in Europe, as well as its insurance activities in the U.S., said it had investments in agricultural property. Expectations of a reduced rate of growth from life insurance and from investment income have prompted the company to diversify.

Meanwhile, Hollandsche Construc-tie Groep (HCG) of Leiden, said it has acquired the ships' anchor and chain activities of the Koninklijke Nederlandse Landbouwverzekering.

HCG, a division of the largest Dutch construction company, Hollandsche Beton, will acquire the manufacturing and sales rights and equipment while the workforce will also be transferred. The activities being acquired represent turnover of \$17m. (\$3.1m).

AMEV, the Dutch insurance group, said its "Utrecht" insurance subsidiary will make a \$110m (\$45m) offer for the entire capital of the agricultural property group Dordrechtse Landbouwverzekering.

Discussions on the bid conditions are continuing and if they are in agreement "Utrecht" will offer 2,000 per cent of Dordrechtse's 500 shares and \$11.5m for each of the six founder's certificates.

AMEV, which is expanding its non-insurance activities in Europe, as well as its insurance activities in the U.S., said it had investments in agricultural property. Expectations of a reduced rate of growth from life insurance and from investment income have prompted the company to diversify.

Meanwhile, Hollandsche Construc-tie Groep (HCG) of Leiden, said it has acquired the ships' anchor and chain activities of the Koninklijke Nederlandse Landbouwverzekering.

HCG, a division of the largest Dutch construction company, Hollandsche Beton, will acquire the manufacturing and sales rights and equipment while the workforce will also be transferred. The activities being acquired represent turnover of \$17m. (\$3.1m).

AMEV, the Dutch insurance group, said its "Utrecht" insurance subsidiary will make a \$110m (\$45m) offer for the entire capital of the agricultural property group Dordrechtse Landbouwverzekering.

## Esmil having talks with Stork Werkspoor

By Charles Batchelor

AMSTERDAM, July 7. ESMIL, the environmental technology division of the Dutch-German steelmaker, Esil-Hoesch-Hoogovens, has begun talks with Stork Werkspoor, a part of the VME-Stork Engineering group, aimed at possible co-operation. Both firms manufacture water treatment plants for drinking and industrial supplies and effluent treatment. Co-operation would strengthen their international operations.

Esil said. Esil has turnover of Fl 150m (\$87m) and is a fast-expanding part of the loss-making steel group's diversifications division.

Meanwhile, the listed trading group Metje and Ziegler, which operates chiefly in South West Africa (Namibia), announced that it had rejected an approach from Barlow Rand to acquire its share capital.

Metje and Ziegler shares were suspended two weeks ago because of the talks. With net assets of over R11m. It is one of the largest trading concerns in SWA/Namibia, with interests in distributing timber, building materials and cars and trucks. Barlow Rand also has extensive interests in the territory, controlling the old Swacomo group, which are largely complementary to Metje and Ziegler. The combined group, had negotiations succeeded, would have been by far the largest traders in SWA/Namibia. However, the approach was rejected by Metje and Ziegler's controlling shareholders, the Cape Town-based Behrens family.

WARDGATE COMMUNITY at 30th June 1978. £10.36. £10.78 WCF MANAGER LIMITED 30, St. John's Street, St. Helier, Jersey. 0534 2059/1/3 Next dealings 31st July 1978.

AMEV, the Dutch insurance group, said its "Utrecht" insurance subsidiary will make a \$110m (\$45m) offer for the entire capital of the agricultural property group Dordrechtse Landbouwverzekering.

Discussions on the bid conditions are continuing and if they are in agreement "Utrecht" will offer 2,000 per cent of Dordrechtse's 500 shares and \$11.5m for each of the six founder's certificates.

AMEV, which is expanding its non-insurance activities in Europe, as well as its insurance activities in the U.S., said it had investments in agricultural property. Expectations of a reduced rate of growth from life insurance and from investment income have prompted the company to diversify.

Meanwhile, Hollandsche Construc-tie Groep (HCG) of Leiden, said it has acquired the ships' anchor and chain activities of the Koninklijke Nederlandse Landbouwverzekering.

HCG, a division of the largest Dutch construction company, Hollandsche Beton, will acquire the manufacturing and sales rights and equipment while the workforce will also be transferred. The activities being acquired represent turnover of \$17m. (\$3.1m).

AMEV, the Dutch insurance group, said its "Utrecht" insurance subsidiary will make a \$110m (\$45m) offer for the entire capital of the agricultural property group Dordrechtse Landbouwverzekering.

Discussions on the bid conditions are continuing and if they are in agreement "Utrecht" will offer 2,000 per cent of Dordrechtse's 500 shares and \$11.5m for each of the six founder's certificates.

AMEV, which is expanding its non-insurance activities in Europe, as well as its insurance activities in the U.S., said it had investments in agricultural property. Expectations of a reduced rate of growth from life insurance and from investment income have prompted the company to diversify.

Meanwhile, Hollandsche Construc-tie Groep (HCG) of Leiden, said it has acquired the ships' anchor and chain activities of the Koninklijke Nederlandse Landbouwverzekering.

HCG, a division of the largest Dutch construction company, Hollandsche Beton, will acquire the manufacturing and sales rights and equipment while the workforce will also be transferred. The activities being acquired represent turnover of \$17m. (\$3.1m).

AMEV, the Dutch insurance group, said its "Utrecht" insurance subsidiary will make a \$110m (\$45m) offer for the entire capital of the agricultural property group Dordrechtse Landbouwverzekering.

Discussions on the bid conditions are continuing and if they are in agreement "Utrecht" will offer 2,000 per cent of Dordrechtse's 500 shares and \$11.5m for each of the six founder's certificates.

AMEV, which is expanding its non-insurance activities in Europe, as well as its insurance activities in the U.S., said it had investments in agricultural property. Expectations of a reduced rate of growth from life insurance and from investment income have prompted the company to diversify.

Meanwhile, Hollandsche Construc-tie Groep (HCG) of Leiden, said it has acquired the ships' anchor and chain activities of the Koninklijke Nederlandse Landbouwverzekering.

HCG, a division of the largest Dutch construction company, Hollandsche Beton, will acquire the manufacturing and sales rights and equipment while the workforce will also be transferred. The activities being acquired represent turnover of \$17m. (\$3.1m).

## Grand Union rejected by Colonial Stores

By Anthony Rowley

DIRECTORS of Colonial Stores voted unanimously to reject a proposal to acquire Colonial at \$30 per share made by Grand Union Corporation, which is owned by Cavenham Ltd, of the UK, itself controlled by General Occidental SA of France.

Mr. Ernest F. Boyce, the chairman of Colonial Stores, said "after reviewing the proposal with our financial adviser, Merrill Lynch, White, Weld Capital Markets Group and our legal counsel, the board of directors has concluded that, for a variety of reasons, the offer by Grand Union is not in the best interests of the stockholders of the company and their company."

He had been informed that the FTC is undertaking an investigation of the legality of the proposed transaction. The board's decision was advised by our counsel that combination of our company with Grand Union would raise serious questions under the antitrust laws.

The company has filed lawsuits against Grand Union alleging violations of Federal and State securities laws. These proceedings have been filed in U.S. District Court, Northern District of Georgia, Atlantic Division in the superior court of Fulton County Georgia and with the State Corporation Commission of Virginia where Colonial Stores is incorporated.

McDONNELL DOUGLAS Corporation said that it has no plans to counter the offer by Northern Telecom for Data 100. Reuter reports from St. Louis.

McDonnell Douglas had reached an agreement in principle to acquire Data 100 for \$17.50 a share in cash for each Data 100 share or preferred stock owned by McDonnell Douglas common holders of a value of \$20.50.

Northern Telecom said late yesterday that it plans to make a tender offer of \$20 a share for all outstanding Data 100 shares it does not own. It already has some 31 per cent of the common stock.

McDonnell Douglas said, however, that it continues to have an interest in the computer terminals industry.

REPUBLIC NEW YORK Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

## Zapata cancels contract

By Anthony Rowley

ZAPATA CORPORATION, has agreed with the U.S. Maritime Administration and Newport News Shipbuilding to discontinue construction of an ultra-large crude carrier being built for Zapata at Newport News, Virginia.

Cancellation of the carrier, a 390,000 dwt tanker originally scheduled for completion in 1979 at a cost of about \$180m, will require the company to provide for an estimated pre-tax non-operating loss of about \$12.5m in its current fiscal year.

The company said that, when it contracted for the ship's construction, prospects for the world tanker market and for U.S. flag shipping were expected to have improved significantly by the time of the vessel's completion. But the company said no such improvement has taken place and that an unprecedented slump in the world tanker market is projected to last well into the 1980s.

Zapata expects to report a net profit for the rest of its fiscal 1978 despite the loss from the cancellation.

AP-DJ

REPUBLIC NEW YORK Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

Republic New York Corporation, the holding company for Republic National Bank of New York, and Talcoit National Corporation have signed a letter of intent concerning the proposed acquisition by Republic of the assets and liabilities of Talcoit.

The purchase price will be about \$107m, comprised of the division's net investment in factored receivables and advances to clients, together with \$7m for the division's fixed and other assets.

## Coffee firm leap ahead

By Anthony Rowley

NEW YORK, July 7. METALS rose last night, covering reflecting concern over the Middle East crisis and the weaker U.S. dollar. Cocoa advanced, but sugar fell. Coffee rose on a cold weather report in Brazil attributed to Thompson Metal.

Cocoa—July 14.15 (14.25), Sept. 15.75 (15.85), Dec. 16.25 (16.35), March 16.75 (16.85), May 17.25 (17.35), July 17.75 (17.85), Sept. 18.25 (18.35), Dec. 18.75 (18.85), March 19.25 (19.35), May 19.75 (19.85), July 20.25 (20.35), Sept. 20.75 (20.85), Dec. 21.25 (21.35), March 21.75 (21.85), May 22.25 (22.35), July 22.75 (22.85), Sept. 23.25 (23.35), Dec. 23.75 (23.85), March 24.25 (24.35), May 24.75 (24.85), July 25.25 (25.35), Sept. 25.75 (25.85), Dec. 26.25 (26.35), March 26.75 (26.85), May 27.25 (27.35), July 27.75 (27.85), Sept. 28.25 (28.35), Dec. 28.75 (28.85), March 29.25 (29.35), May 29.75 (29.85), July 30.25 (30.35), Sept. 30.75 (30.85), Dec. 31.25 (31.35), March 31.75 (31.85), May 32.25 (32.35), July 32.75 (32.85), Sept. 33.25 (33.35), Dec. 33.75 (33.85), March 34.25 (34.35), May 34.75 (34.85), July 35.25 (35.35), Sept. 35.75 (35.85), Dec. 36.25 (36.35), March 36.75 (36.85), May 37.25 (37.35), July 37.75 (37.85), Sept. 38.25 (38.35), Dec. 38.75 (38.85), March 39.25 (39.35), May 39.75 (39.85), July 40.25 (40.35), Sept. 40.75 (40.85), Dec. 41.25 (41.35), March 41.75 (41.85), May 42.25 (42.35), July 42.75 (42.85), Sept. 43.25 (43.35), Dec. 43.75 (43.85), March 44.25 (44.35), May 44.75 (44.85), July 45.25 (45.35), Sept. 45.75 (45.85), Dec. 46.25 (46.35), March 46.75 (46.85), May 47.25 (47.35), July 47.75 (47.85), Sept. 48.25 (48.35), Dec. 48.75 (48.85), March 49.25 (49.35), May 49.75 (49.85), July 50.25 (50.35), Sept. 50.75 (50.85), Dec. 51.25 (51.35), March 51.75 (51.85), May 52.25 (52.35), July 52.75 (52.85), Sept. 53.25 (53.35), Dec. 53.75 (53.85), March 54.25 (54.35), May 54.75 (54.85), July 55.25 (55.35), Sept. 55.75 (55.85), Dec. 56.25 (56.35), March 56.75 (56.85), May 57.25 (57.35), July 57.75 (57.85), Sept. 58.25 (58.35), Dec. 58.75 (58.85), March 59.25 (59.35), May 59.75 (59.85), July 60.25 (60.35), Sept. 60.75 (60.85), Dec. 61.25 (61.35), March 61.75 (61.85), May 62.25 (62.35), July 62.75 (62.85), Sept. 63.25 (63.35), Dec. 63.75 (63.85), March 64.25 (64.35), May 64.75 (64.85), July 65.25 (65.35), Sept. 65.75 (65.85), Dec. 66.25 (66.35), March 66.75 (66.85), May 67.25 (67.35), July 67.75 (67.85), Sept. 68.25 (68.35), Dec. 68.75 (68.85), March 69.25 (69.35), May 69.75 (69.85), July 70.25 (70.35), Sept. 70.75 (70.85), Dec. 71.25 (71.35), March 71.75 (71.85), May 72.25 (72.35), July 72.75 (72.85), Sept. 73.25 (73.35), Dec. 73.75 (73.85), March 74.25 (74.35), May 74.75 (74.85), July 75.25 (75.35), Sept. 75.75 (75.85), Dec. 76.25 (76.35), March 76.75 (76.85), May 77.25 (77.35), July 77.75 (77.85), Sept. 78.25 (78.35), Dec. 78.75 (78.85), March 79.25 (79.35), May 79.75 (79.85), July 80.25 (80.35), Sept. 80.75 (80.85), Dec. 81.25 (81.35), March 81.75 (81.85), May 82.25 (82.35), July 82.75 (82.85), Sept. 83.25 (83.35), Dec. 83.75 (83.85), March 84.25 (84.35), May 84.75 (84.85), July 85.25 (85.35), Sept. 85.75 (85.85), Dec. 86.25 (86.35), March 86.75 (86.85), May 87.25 (87.35), July 87.75 (87.85), Sept. 88.25 (88.35), Dec. 88.75 (88.85), March 89.25 (89.35), May 89.75 (89.85), July 90.25 (90.35), Sept. 90.75 (90.85), Dec. 91.25 (91.35), March 91.75 (91.85), May 92.25 (92.35), July 92.75 (92.85), Sept. 93.25 (93.35), Dec. 93.75 (93.85), March 94.25 (94.35), May 94.75 (94.85), July 95.25 (95.35), Sept. 95.75 (95.85), Dec. 96.25 (96.35), March 96.75 (96.85), May 97.25 (97.35), July 97.75 (97.85), Sept. 98.25 (98.35), Dec. 98.75 (98.85), March 99.25 (99.35), May 99.75 (99.85), July 100.25 (100.35), Sept. 100.75 (100.85), Dec. 101.25 (101.35), March 101.75 (101.85), May 102.25 (102.35), July 102.75 (102.85), Sept. 103.25 (103.35), Dec. 103.75 (103.85), March 104.25 (104.35), May 104.75 (104.85), July 105.25 (105.35), Sept. 105.75 (105.85), Dec. 106.25 (106.35), March 106.75 (106.85), May 107.25 (107.35), July 107.75 (107.85), Sept. 108.25 (



























## MEN OF THE WEEK

## Top pay for top people

BY JOHN ELLIOTT

THE PRIME MINISTER'S announcement early this week that the Government was authorising pay rises of 70 to 100 per cent for nationalised industry chairmen and board members—involving some increases of up to £21,000 a year—marked the successful climax of the first collective campaign ever waged by some of those involved.

People earning up to £25,000 or more a year are not the most likely recruits for trade union style operations, and even now the chairmen and board members would probably prefer to believe that it was not their collective representation but the self-evident justice of their case, and the individual influence they can wield in the corridors of Whitehall and Westminster, that won them the day.

In fact the success was due to a number of factors and the result was that, along with other top-level public servants in the armed forces, judiciary, and Civil Service, they successfully persuaded a Labour Prime Minister, a politically inconvenient time, to recognise their plight. Their problem, partly caused by pay recommendations made for them in 1974 being shelved by the Government, is that they have dropped seriously behind the salary levels of their counterparts in private industry where chairmen of top companies on about £40,000 to £50,000 a year or more are earning between two and four times the £20,000 to £30,000 present range of main nationalised industry salaries.

### Evidence

The pay of the chairmen and board members comes within the remit of the Government's Top Salaries Review Body which, under the chairmanship of Lord Boyle, the former Tory Minister, also covers the top forces officers, judges, and civil servants.

It received evidence and research information before it presented its latest report to the Prime Minister last month, from more than 150 individuals ranging from top judges to a Marshal of the Royal Air Force, Civil Service union leaders, board chairmen, and Government Ministry permanent secretaries.

But in order to win, those involved had to persuade not only the Boyle Review Body to report in their favour, but also the Prime Minister and his colleagues to pay up. Formal and informal political and personal pressures therefore came into play.

Top civil servants belong to two long established unions which have recently affiliated to the TUC (the First Division Association and the Institution of Professional Civil Servants); but the individual permanent secretaries also pack their own personal punch. Judges and generals have no official central collective voice, although the Lord Chancellor's Department is said to be adept at showing why barristers' high fees necessitate rises for judges, and the Chiefs of the Defence Staff have their own unique authority.

But it was those in the nationalised industry who for the first time were flexing some collective muscle, through two organisations. First there was the Association of Members of State Industry Boards which was set up to funnel frustration when the 1974 rises were not paid. It claims 100 members (out of 150 or so) in nationalised and regional State boards and draws much of its strength from the electricity and gas industries. It has some members on the Post Office and airways boards, but few, if any, on the steel or railways boards. Run from Merseyside by a retired regional electricity chairman, Mr. Denis Dudds, it has yet to gain formal recognition from the Government although its leaders have met Lord Peart, the Lord Privy Seal.

### Action

The other organisation is older and more influential. It dates from the late 1960s when Lord Robens, then Coal Board chairman, founded a luncheon club for fellow chairmen of the seven main nationalised industries. Called the Nationalised Industries' Chairmen's Group it now has some 20 members and has developed its own small bureaucracy and specialist sections dealing with specific issues. It received recognition from Harold Wilson when he was Prime Minister in 1976 and a dozen chairmen have meetings about twice a year with the Chancellor of the Exchequer. Its present leaders are Sir Peter Parker of British Rail and Sir Denis Rooke of British Gas and it was a meeting some of them had with Mr. Callaghan after Christmas that evidently persuaded the Prime Minister that action had to be taken over their salaries. Their evidence also influenced the Boyle findings and the impact of their public and private pronouncements, achieved collectively, they have been beyond their grasp.

## Shcharansky trial starts on Monday

BY OUR FOREIGN STAFF

MR. ANATOLY SHCHARANSKY, the imprisoned Jewish dissident whose fate has prompted worldwide concern and the explicit intervention of President Jimmy Carter, goes on trial in Moscow, on Monday, on charges of high treason.

The U.S. yesterday voiced serious concern at the decision. A strongly worded State Department statement questioned the fairness of the trial.

Officials said the trials of Mr. Shcharansky and Mr. Alexander Ginzburg, which is due to start the same day, could well sour the atmosphere at the renewed SALT negotiations. They were puzzled why the trials, expected for some time now, should have been so abruptly scheduled on the eve of the Geneva talks.

Mr. Cyrus Vance, U.S. Secretary of State, is due to meet Mr. Andrei Gromyko, Soviet Foreign

Minister, in Geneva next week, for another round of Strategic Arms Limitation talks.

If convicted, Mr. Shcharansky, the former principal liaison between Jewish and democratic dissidents and the Western Press, could be sentenced to death.

Tass, the Soviet news agency, announced the long-awaited trial in a tersely worded note to foreign journalists. The note said the trial would begin at 10 am in a people's court in the Proletarsky district.

Tass said that the specific accusation against Mr. Shcharansky, who has been held virtually incommunicado for 16 months in Moscow's Lefortovo prison, would be espionage. The trials highlight the unprecedented thorough Soviet crackdown on dissent and the tension in U.S.-Soviet relations.

Mr. Shcharansky, 30, a computer expert, has been accused in the Soviet Press of providing information for the U.S. Central Intelligence Agency, a charge which President Carter specifically denied.

Tass said the Foreign Ministry will hold regular briefings for correspondents on the progress of the trial in a courtroom on the opposite side of the city.

The Soviet Press has already described Mr. Shcharansky, who tried unsuccessfully to emigrate to Israel, as a "traitor".

Both Mr. Shcharansky and Mr. Ginzburg, who faces charges of anti-Soviet agitation in Kaluga, south-west of Moscow, were prominent members of the dissident committee which sought to monitor Soviet observance of the Helsinki Accords.

## Chrysler strikers vote tomorrow on offer

BY OUR LABOUR STAFF

STRIKING toolmakers who have halted Chrysler car assembly in the Midlands will decide tomorrow whether to return to work.

At a meeting yesterday between employers, unions and the Government, ministers made it clear that the toolmakers could not be made a special case under the 10 per cent guidelines.

But the meeting with Mr. Alan Williams, Industry Minister, and Mr. Harold Walker, Employment Minister, was followed by talks between Mr. George Lacy, managing director of Chrysler UK, and Mr. Terry Duffy, president-elect of the Amalgamated Union of Engineering Workers, at which a formula was agreed which may settle the men's claim for improved differentials.

The company has agreed to open negotiations with the toolmakers on a self-financing productivity deal as soon as they return to work. This will be considered by shop stewards this morning and they will make a

recommendation to tomorrow's meeting of the 350 men.

However, Chrysler's factory at Linwood, Scotland, appears unlikely to resume production before the middle of August after talks yesterday failed to resolve a separate week-long strike by 550 paint shop workers.

The plant will close on Thursday night for the annual three-week summer holiday and, following the failure yesterday of five hours of talks arranged by the Advisory, Conciliation and Arbitration Service, shop stewards believe there is little chance of a settlement before then.

Paint shop workers are being called to a meeting tomorrow to hear details of new company proposals for determining temperatures in hot areas of the shop.

The dispute is over management attempts to speed up production by cutting rest breaks in these areas.

Mr. James Livingstone, Transport and General Workers' Union

convenor, said yesterday that he thought it unlikely that the proposals would be accepted.

Mr. Peter McGrath, managing director of BL Components, warned yesterday that a strike by 640 press operators at the Pressed Steel Fisher Swindon factory could be the "last straw which breaks the camel's back."

He said that August was expected to be the best month for many years and it was essential that BL should take 25 per cent of the market if it was to avoid agonising decisions to reduce the workforce.

The Swindon dispute, over the standing of relief body men, is certain to lead to lay-offs at BL production plants supplied by the factory next week.

Mr. McGrath said that workers' reluctance to accept change was the main reason for BL's falling productivity. Employees had more to gain from co-operating with improved productivity than trying to resist it.

Continued from Page 1

### Philips

mended retail prices had become meaningless because most retailers were selling way below them and that claims like "100 per cent recommended price" helped nobody.

The major appliance division, however, has decided to reverse this decision ahead of the rest of the group because all its major competitors have continued to recommend prices. This means that retailers were able to quote large notional savings on other manufacturers' goods.

The division is also concerned about fierce price-cutting. This has been intensified in recent years by the emergence of discount chains and the entry of supermarket groups into the durable market, and has put independent specialist shops at a disadvantage.

Mr. Ron Seers, the division's sales director, said yesterday that, as manufacturers with a "real and genuine interest" in the progress of the industry, the company could not condone the formula of selling just on price. The division did not wish to be associated with this type of strategy.

In an attempt to stabilise the market and give both sides of the industry reasonable margins, the division had sent suggested minimum prices to the trade for implementation by the end of August.

To maintain competitiveness, he said, the division would be prepared to accept a "deviation" of 2.5 per cent below the figures suggested. This would become the minimum advertised price. This action would bring stability and realistic margins, he hoped.

Mr. Seers said that the retail prices has worried the Department of Prices and the Office of Fair Trading for some time. The OFT published proposals recently which would prevent retailers making price comparisons with recommended prices but would allow manufacturers to go on recommending them as a guide to the trade.

Continued from Page 1

### EEC

chaired the Bremen meeting emphasised that the new scheme was not hostile to the dollar, and that both the dollar and President Giscard d'Estaing of France had spoken to President Carter in the past few weeks; and that he had given the plan his political endorsement.

It is envisaged that the proposed arrangements would run for an initial period of two years, during which the proposed central fund would apparently be managed on an intergovernment basis. Thereafter it would be consolidated into a European Monetary Fund.

## Nigeria to raise \$1bn Euroloan

BY MARY CAMPBELL

NIGERIA IS to raise a \$1bn Eurocurrency loan from international banks, her second within a year. The funds will go towards the capital projects in the third national development plan.

A Nigerian negotiating team has been in London for 10 days to clinch the deal after negotiations in Lagos.

The mandate to arrange the loan was awarded yesterday by Mr. Y. K. Sello, Secretary for Finance at the Nigerian Ministry of Finance, to a group consisting of Dresdner Bank, National Westminster Bank, Chase Manhattan Ltd., Citicorp International, First Chicago Ltd., and Midland Bank.

The Nigerians have been advised by First Boston (Europe) throughout the negotiations.

The terms of the loan include a margin over inter-bank rates of 1 per cent for the first four years rising to 1.1 per cent for the last four, slightly higher than for the foreign subsidiaries.

## Thorn allowed to boost dividend by 72%

BY MARGARET REID

THORN Electrical Industries, the lighting, television sets and domestic appliances group, is being allowed by the Treasury to increase its dividend by 72 per cent in connection with a cash-raise of £25m (£13.4m) issue of convertible Eurobonds.

The move follows last week's news that Boots was making a \$30m (£16m) convertible bond issue, with which it coupled the promise of an almost doubled dividend. Other companies which have been permitted in the past year to raise their dividends by much more than the usual 10 per cent limit, in order to give added attraction to a Eurobond issue

convertible into shares, include Beecham and Babcock and Wilcox.

Thorn's issue of \$25m convertible guaranteed bonds 1988, being made through a new Dutch subsidiary, Thorn International Finance BV, is designed to raise part of the group's £50m or so of short-term overseas borrowings. The proceeds will also provide more working capital for the foreign subsidiaries.

The announcement about the much increased dividend and pre-tax profits up 8.2 per cent to £110.3m, was well received in the stock market, where Thorn's shares jumped 250 to 335p. Results, Page 16

## White Paper likely soon on Phase Four guidelines

BY OUR LABOUR CORRESPONDENT

A GOVERNMENT White Paper on pay guidelines after Phase Three of its pay policy expires at the end of this month is probable early in the week beginning Monday, July 24.

The Prime Minister is scheduled to meet Confederation of British Industry leaders on July 19 and they will report back to their council later the same day. Another meeting between the Government and TUC is likely at about the same time, although Ministers appreciate that there can be no prospect of the trades union movement's formally endorsing any pay norm for the next 12 months.

Consequently the Government has little option but to proceed in the same style as last year, and will name a single-figure earnings target which it will then

apply strictly in its role as public sector employer.

The White Paper will come at about the same time as the Labour Party's national executive committee consider the final draft of their new policy document, into the 80s: An Agreement. This, which acknowledges in general terms the need for continuing some form of broad understanding on pay between the Government and unions, will form the basis of the TUC general council's report to Congress on pay policy.

While there can be no endorsement of a specific pay norm the need to support the Government in a probable election year is paramount in the thinking of many union leaders.

Callaghan's gamble, Page 14

## Uneasy calm falls on Beirut

BY DAVID LENNON

TEL AVIV, July 7. ISRAEL TODAY watched with satisfaction the calm, however uneasy, which descended on Beirut after the warnings from Jerusalem that it would not stand idly by while Syrian troops destroyed the Christian militia in Lebanon.

Israel has reinforced its troops on the northern border, but no major intervention is being contemplated.

The Syrian action against the Christian forces in Lebanon will be discussed by the Cabinet on Sunday. It is expected that the Government will empower the Army to take whatever steps are necessary to restrain the Syrians, without provoking a direct conflict.

The belief here is that warnings given yesterday by Mr. Ezer Weizman, Defence Minister, Major-General Shimon Secitz, Head of Military Intelligence, and Dr. Eliahu Ben-Ezra, Director-General of the Prime Minister's Office, had a pacifying effect.

The flight of Kfir jets over Beirut yesterday was a demonstration of how seriously Israel views the latest developments on its northern frontier.

### Reinforcements

Reports that Syria had reinforced its forces deployed along the Golan Heights caused little concern here. Israel is confident that its military strength is so overwhelming that President Hafez al-Assad would not risk any confrontation.

Israel's military reports from Beirut: Since Israel's show of strength no serious fighting or shelling has occurred since Wednesday night.

Today, visitors to the eastern quarters of Beirut were able to witness the devastation of the past few days and also found the Christian fighters not only defiant towards the Syrians but also elated over the support received from the Israelis.

Phalangist militiamen talked openly about partition and plans to establish a Christian State in the areas controlled by them—with Israeli assistance if necessary.

Staff writes: despite the de facto ceasefire in force since Wednesday morning, the U.S. Administration regards the situation in the Lebanon with grave concern.

Through diplomatic channels it is trying to persuade Syria to stop its troops from further attacks on the Christian forces and Israel to keep out of the conflict.

The State Department is also concerned that the fighting in the Lebanon could jeopardise the U.S. Administration's efforts to bring about resumption of direct peace negotiations between Egypt and Israel.

### Weather

UK TODAY  
 RATHER COOL. Some rain. London, S.E. Cent. S. England, E. Anglia, Midlands, Channel Is. Rain at first. Max. 16C (61F). East, Cent. N., N.E. England. Outbreaks of rain. Wind N.W., gales in exposed places. Max. 14C-16C (57F-61F).

S.W. England, Wales. Rain early, scattered showers later. Max. 16C (61F). N.W. England, Isle of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland. Showers, perhaps bright intervals later. Max. 15C (59F).

Bordeaux, Edinburgh, Dundee, Aberdeen, Cent. Highlands, Moray Firth, N.E., N.W. Scotland, Orkney, Shetland. Outbreaks of rain. Wind N.W., gales in exposed places. Max. 10C-14C (50F-57F).

### BUSINESS CENTRES

City	Time	City	Time
Amsterdam	12.34	Madrid	13.10
Antwerp	12.34	Moscow	14.10
Bahia	12.34	Moscow	14.10
Barcelona	12.34	Moscow	14.10
Bombay	12.34	Moscow	14.10
Bremerhaven	12.34	Moscow	14.10
Buenos Aires	12.34	Moscow	14.10
Cairo	12.34	Moscow	14.10
Cardiff	12.34	Moscow	14.10
Chicago	12.34	Moscow	14.10
Colombo	12.34	Moscow	14.10
Copenhagen	12.34	Moscow	14.10
Dublin	12.34	Moscow	14.10
Edinburgh	12.34	Moscow	14.10
Frankfurt	12.34	Moscow	14.10
Geneva	12.34	Moscow	14.10
Glasgow	12.34	Moscow	14.10
Helsinki	12.34	Moscow	14.10
Hong Kong	12.34	Moscow	14.10
London	12.34	Moscow	14.10
Luxembourg	12.34	Moscow	14.10
Lyons	12.34	Moscow	14.10
Manila	12.34	Moscow	14.10
Mexico	12.34	Moscow	14.10
Moscow	12.34	Moscow	14.10
Mumbai	12.34	Moscow	14.10
Nairobi	12.34	Moscow	14.10
Osaka	12.34	Moscow	14.10
Paris	12.34	Moscow	14.10
Rangoon	12.34	Moscow	14.10
Reykjavik	12.34	Moscow	14.10
Rome	12.34	Moscow	14.10
Sao Paulo	12.34	Moscow	14.10
Seoul	12.34	Moscow	14.10
Shanghai	12.34	Moscow	14.10
Singapore	12.34	Moscow	14.10
Sofia	12.34	Moscow	14.10
Stockholm	12.34	Moscow	14.10
Taipei	12.34	Moscow	14.10
Tokyo	12.34	Moscow	14.10
Toronto	12.34	Moscow	14.10
Trinidad	12.34	Moscow	14.10
Warsaw	12.34	Moscow	14.10
Zurich	12.34	Moscow	14.10

### HOLIDAY RESORTS

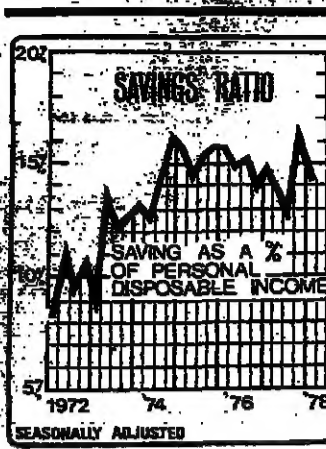
City	Time	City	Time
Algeria	12.34	Law Pina	12.34
Algiers	12.34	Law Pina	12.34
Amman	12.34	Law Pina	12.34
Antwerp	12.34	Law Pina	12.34
Bahia	12.34	Law Pina	12.34
Barcelona	12.34	Law Pina	12.34
Bombay	12.34	Law Pina	12.34
Bremerhaven	12.34	Law Pina	12.34
Buenos Aires	12.34	Law Pina	12.34
Cairo	12.34	Law Pina	12.34
Cardiff	12.34	Law Pina	12.34
Chicago	12.34	Law Pina	12.34
Colombo	12.34	Law Pina	12.34
Copenhagen	12.34	Law Pina	12.34
Dublin	12.34	Law Pina	12.34
Edinburgh	12.34	Law Pina	12.34
Frankfurt	12.34	Law Pina	12.34
Geneva	12.34	Law Pina	12.34
Glasgow	12.34	Law Pina	12.34
Helsinki	12.34	Law Pina	12.34
Hong Kong	12.34	Law Pina	12.34
London	12.34	Law Pina	12.34
Luxembourg	12.34	Law Pina	12.34
Lyons	12.34	Law Pina	12.34
Manila	12.34	Law Pina	12.34
Mexico	12.34	Law Pina	12.34
Moscow	12.34	Law Pina	12.34
Mumbai	12.34	Law Pina	12.34
Nairobi	12.34	Law Pina	12.34
Osaka	12.34	Law Pina	12.34
Paris	12.34	Law Pina	12.34
Rangoon	12.34	Law Pina	12.34
Reykjavik	12.34	Law Pina	12.34
Rome	12.34	Law Pina	12.34
Sao Paulo	12.34	Law Pina	12.34
Seoul	12.34	Law Pina	12.34
Shanghai	12.34	Law Pina	12.34
Singapore	12.34	Law Pina	12.34
Sofia	12.34	Law Pina	12.34
Stockholm	12.34	Law Pina	12.34
Taipei	12.34	Law Pina	12.34
Tokyo	12.34	Law Pina	12.34
Toronto	12.34	Law Pina	12.34
Trinidad	12.34	Law Pina	12.34
Warsaw	12.34	Law Pina	12.34
Zurich	12.34	Law Pina	12.34

## THE LEX COLUMN

## GEC hesitates, but Thorn leaps

A late rally yesterday after Thorn's dividend surprise cut the week's decline on the FT 30-Share Index to under 6 points, but the market has continued to drift in very quiet trading for most of the five days. This is typical of a period when an upturn in the economy is leading to increased financial pressures: the latest figures show a relatively buoyant gross domestic product and a declining savings ratio for the first quarter. But the gilt-edged market now looks a little more healthy after its recent bout of indigestion.

Index rose 3.5 to 355.6



### Thorn

Who is right about dividends? Only a day after the mighty GEC, the stock market's standard bearer, (currently sitting on £61m of cash) meekly explained why it could not recommend a "sudden and drastic increase" in its dividend, Thorn Electrical has popped up with a well-worn device to boost its dividend by 72 per cent.

Only following Beecham and Boots and issuing a convertible Eurobond. The amount raised, £25m, is equivalent to less than 5 per cent of shareholders funds and is clearly not going to transform Thorn's financial structure. But the Treasury has nodded it through and Thorn shows no sign of being ashamed at passing on some of its cash to shareholders.

Of course, it is at pains to point out that this is not a window dressing manoeuvre—it prefers to call it an "exploratory exercise." It has between £40m and £50m of short-term foreign currency borrowings, which it wants to refinance, and is on the look-out for a major overseas acquisition (upwards of £50m, say). It intends to be back for more money at some stage and this issue will help it get its name known.

As for